

Oral Questions

ORAL QUESTION PERIOD

[English]

THE CANADIAN ECONOMY

EFFECT OF REDUCTION IN GOVERNMENT SUPPORT OF
WHEAT PRICE ON BREAD—REASON FOR CHANGE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the minister responsible for the Wheat Board and relates to the statement he made last evening about the price to be paid by domestic millers for wheat. I should like to ask the minister why the government chose this time to reduce the financial liability it had accepted under the two price system adopted back in 1971, a move which in effect forces an additional increase in the price of bread quite independent of any movement of world prices?

● (1130)

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, it should be appreciated that the so-called reduction in federal treasury money is a very minor item of 4½ cents on each bushel. The exact figure of \$1.04½ was an historic one relating to the \$1.95½ at which wheat had been selling under the old international grains arrangement. It seemed appropriate to set this figure at \$1 rather than at \$1.04½, particularly because from yesterday on the Canadian Wheat Board will be selling wheat to millers in Canada not at a fixed price, such as the old \$1.95½, but at a price which will move from day to day or week to week within a range of the world price. That range seems to be easier to calculate regularly if the difference is \$1 rather than \$1.04½. The adjustment in treasury support is a minor one in the over-all picture. Of course, the 4½ cents is added to the return from the miller to the wheat producer and is in addition to the amount that is added from millers to wheat producers because of the increase in price.

Mr. Speaker: Order, please.

Mr. Stanfield: Mr. Speaker, I would judge that the length of the minister's answer reflects the weakness of his position. Since the minister said that the \$1.05½ was an historic figure, and since the price paid for bread by people will be a factor of the day, I ask the minister if he can justify the reduction of some \$2,700,000 in the government contribution to the cost of wheat which would, therefore, cause an increase of a like amount in the cost of bread? Can the minister justify this at the present time, and will he not agree that this will hardly encourage millers to exercise restraint in the pricing of bread, because if the government is trying to get out as best it can, will not the millers try likewise?

Mr. Speaker: Order, please. The question asked by the Leader of the Opposition, and the reply which was given earlier by the minister, are part of the debate which we might have had if the announcement were made by the minister on motions. We have heard the question asked by the Leader of the Opposition and the minister might be allowed to reply, but I would hope that both answers and questions could be briefer.

[Mr. Speaker.]

Mr. Lang: Mr. Speaker, the adjustment of the 4½ cents would only lead to the most minute alteration in the cost of bread, perhaps something less than one tenth of one cent. The much greater change has to do with the fact that the world prices are higher and, of course, the switching of this amount, which still leaves us with a \$60 million consumer subsidy on wheat for bread making purposes, was something which people like those in the Saskatchewan Wheat Pool had strongly advocated with regard to the whole amount. We felt we should leave the subsidy to the extent of \$60 million.

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, I am sorry that members on the government side are applauding an increase in the price of bread.

Some hon. Members: Oh, oh!

Mr. Stanfield: May I direct a supplementary question to the Prime Minister.

Some hon. Members: Oh, oh!

Mr. Speaker: May we have order, please. The Leader of the Opposition has the floor.

POSSIBLE INCREASE IN PRICE OF BREAD—GOVERNMENT
ACTION TO AID THOSE ON FIXED INCOMES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in the light of the government's reducing this financial commitment at this time, which is showing a very poor example and will result in an upward movement in the price of bread, can the Prime Minister indicate whether he proposes to recommend any measures to enable those on fixed incomes or inadequate incomes to deal with the increase in the price of bread, to which the government's policy will contribute, or is the Prime Minister now accepting advice from Marie Antoinette?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I must disagree with the preamble to the question, much as the Minister of Justice did, and emphasize that this government is subsidizing, through the taxpayers' money, the western wheat growers to the tune of \$60 million, and that is \$60 million more than the opposition party ever did by bringing in two-price wheat.

Some hon. Members: Hear, hear!

POSSIBLE INCREASE IN PRICE OF BREAD—SUGGESTED
INCREASE IN GOVERNMENT SUPPORT OF WHEAT PRICE
TO OFFSET

Mr. Stanley Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. In view of the statement made by the minister responsible for the Wheat Board that the aim was to achieve a round figure, and that is why the government dropped from \$1.04½ to \$1, may I ask if consideration was given to a round figure like \$1.10 or \$1.25, so that the price of bread might come down?