

*Cost of Living*

I should like to deal with some of the specifics of the Prime Minister's statement. One concerns the matter of the subsidy on milling wheat for domestic purposes. The Prime Minister (Mr. Trudeau) stated that the floor price would be \$3.25. He stated that the price to the Canadian wheat producer for the roughly 10 per cent of our wheat production which goes into domestic milling would be \$3.25 plus \$1.25, or a total of \$4.50. Then, when the minister in charge of the Wheat Board arrived in Winnipeg, he added another 50 cents to bring it to \$5. On September 11 the minister made an effort to clarify that statement. I am attempting to show that the government, in attempting to regain the initiative, actually lost it. It made the statement and then added confusion to confusion. The government, as the right hon. gentleman for Prince Albert (Mr. Diefenbaker) said, tried to explain the unexplainable.

On September 11 the minister circulated a statement to all members of the House outlining the program. In this statement it was mentioned that under the new two-price program, which is to be effective immediately, the government's contribution would be paid directly to the Canadian Wheat Board, the producers, and so on. The next day, September 12, I phoned the Canadian Wheat Board. The reason I did so is that in my constituency there is a relatively small milling concern which is important to the area. I was asked by representatives of that firm what price they would have to pay for Canadian milling wheat. They did not know because they had phoned the Canadian Wheat Board and were told that the board did not know. They were asked to phone again the next day. This is the result of the confusion and the loss of initiative by this government. This government should not attempt, by ad hoc statements, to fill in the gap and shore up the dike. It should come up with a policy that is clear and workable, and defend it. That is the role of the government.

● (0420)

On September 12 I phoned the Canadian Wheat Board and they gave me the international price for No. 1 Canadian red spring wheat and the different protein percentages, as well as the domestic price, which was \$1 less. This was a day after the minister had made a statement to explain the unexplainable. But the Canadian Wheat Board still was not selling at that price. In fact, it was not even selling at the increase of 25 cents, much less at the increase of 50 cents.

This is what I mean by confusion. At that time the Canadian Wheat Board said the price was \$3.25. There is a minister in the House who is responsible for the Canadian Wheat Board, and yet there is such confusion. What happened beyond that point? I telephoned the Canadian Wheat Board today and asked them today's price for domestic milling wheat and for Canadian No. 1 red spring wheat, generally the most common milling wheat. It was \$3.25 to the domestic miller. However, I was left with the impression, and I am sure so was the press and most hon. members, that that was the top price. But no, 14½ per cent wheat was selling today at \$3.33 to the Canadian miller. What policy are we following? To what are we reacting?

**An hon. Member:** What are you complaining about?

[Mr. Epp.]

**Mr. Epp:** I am complaining not only about the fact that the Canadian wheat farmer has to subsidize the Canadian consumer, but also—here I am coming back to my basic premise—that the government has mismanaged its affairs to such a degree that it has multiplied this confusion. Today, in an editorial in the *Winnipeg Free Press*, which I understand was started by Sir Clifford Sifton who was minister of the interior some time back at the time when Prime Minister Laurier was in office, this fine Grit paper stated that the government has put its head in the sand hoping that the storm will pass before they know what is happening. That is the reaction today. I submit that the government has lost its will to govern. They enjoy being where they are, but they do not want to take the responsibility of governing, and that means working out policies.

What is needed to fight inflation in so far as the farming economy is concerned is one of my principal concerns tonight. What I would like to point out is this. I believe that a number of members of the House have the impression that farmers are now getting the highest price they have ever received in the history of this country, and that therefore they must be making a lot of money. It is true that prices for farm products are at an all-time high. But today, if you go into ridings in western Canada, you find that due to the spiralling costs of production, and despite the high prices of products, many farmers are no better off than they were when their products were selling at a more reasonable price and their cost of production was at a more reasonable level.

They are now taking a much larger risk and they are worried that the price of their product will drop suddenly while the cost of production will not drop as rapidly. They will then be in trouble. Not only that, but capitalization on farming today is at an all-time high, such as we have never seen before. Many farmers have to capitalize at 10 per cent. We talk about inflation and about the high cost of food, but let us look at it realistically. The reason for the high cost of production is inflation, and there are no benefactors. It is true that many farmers today are in a better cash position than they were a few years back, from 1969 to 1971, but in the long run they are not in a much better financial position despite what people may say. We hear a lot about the rising cost of food, but unfortunately we hear nothing about the other costs that go into the production of food.

**Mr. Caccia:** That is what the Minister of Agriculture (Mr. Whelan) has been telling you all the time.

**Mr. Nowlan:** What he is telling us depends on the phases of the moon.

**Mr. Epp:** I do not mind hon. members opposite interjecting and saying that the Minister of Agriculture has been saying this, because in my previous remark I said that farmers are receiving the highest prices ever. But you cannot look at prices alone; you have to look at the profit margin. You could be paying \$10 for a dozen eggs, but if the cost of production is \$9.99 all you are doing is fooling yourself.

It is interesting to note—going back to the statement made by the Prime Minister—that the NDP support this farming policy. In fact, they almost act as if they had come