Mr. Whelan: Hear, hear!

Mr. McKnight: The minister says "Hear, hear!". I have been very kind. I have not said anything the minister would not say to me if he was on this side. I wish to take a few moments to go back and talk about farming as a business.

Farming today in my constituency and area involves a total investment of $500 to $600 an acre in order to have a viable and operating farm. The average farm is around 800 to 900 acres. It is worth about half a million dollars. You must consider the cost of machinery. Comparing the potential cost of machinery now with last year, machinery prices in 1980 are up 10 per cent to 15 per cent over what they were in 1979.

There has been an increase in the cost of farm labour of about 7 per cent in 1980 over 1979. Petroleum prices have increased. Electricity has increased. The cost of input is greater now than it ever was. As a matter of fact the cost of input in crop production has increased since 1973 by about 105 per cent. It is incumbent upon the Minister of Agriculture to assist his constituents, who happen to be the farmers of Canada, to take a look at the commitment made by his government in the campaign in February, 1979, the commitment that they would endeavour to bring in a two-price wheat system which would add stability to the marketplace and give protection to the consumer.

The commitment was made to the two-price system so the government would maintain it for domestically produced non-feed wheat. I do not know whether the minister had any discussions with the minister responsible for the Canadian Wheat Board, but they would like to maintain a protection from high world prices for the consumers, and they would like to give the producers the ability to achieve the same prices as high export prices would give them.

I find some difficulty with the statement that, now that the price of a bushel of grain is being increased $1, the price of a loaf of bread will increase five cents to the consumer. The Minister of Agriculture knows that is not true. He knows, as we know, that it represents only about 2.3 cents or 2.2 cents increase per loaf if you raise the price of a bushel of wheat $1.

I would like the minister to do something else which his government promised during the campaign, that is, establish a commission to give fair and accurate information on the difference between the farm gate price for food produced in agriculture and the retail price.

Mr. Whelan: That's coming.

Mr. McKnight: The minister says that is coming. We on this side welcome it. I would like to talk about something else that is apparently coming. During the mini-budget presented by the Minister of Finance (Mr. MacEachen), one thing among others that was left out came to my attention. After using several of our proposals in the budget that was defeated in December, in their mini-budget, I had hoped they would use another one, to defer up to $100,000 in capital gains for farmers retiring. This would assist young farmers becoming involved in the business. It would decrease, or at least not increase, the cost of entering the business of farming. As it is now, farmers retiring consider the cost of capital gains in the price at which they sell their farm. They take that into consideration. I have not heard the minister say that is coming, but I certainly hope it is.

I conclude by saying that we on this side support the bill. I do not want to make my friends from the Atlantic region feel bad, but I would appreciate it if the minister of Agriculture could increase the upper limits of the Farm Improvement Loans Act to the same degree as the Fisheries Improvement Loans Act. I think the additional $50,000, from $100,000 to $150,000, would certainly have been a great benefit to the agricultural industry. As you are well aware, Mr. Speaker, $100,000 does not go far in meeting the cost of fertilizer, the cost of pesticides, and the increasing cost of fuel. So perhaps the minister would ask his colleagues; we would certainly support him.

• (1550)

One other thing. I would ask the minister to use his good offices when it comes to protecting producers of cattle. I am sure he is aware of what I have in mind when it comes to extending to cattlemen and farmers the right of protection which other producers have in the market place from foreclosures. I am talking about the packing industry and money lent by banks on the word "procure" rather than "purchase" of cattle. I think the minister would find there is unanimous support on this side; I know there is some support on his side, and we gather we may be able to get this change made.

Once again, I endorse this bill with reservation. I commend the minister for his work and commit myself to assisting him in a spirit of good will to making any improvements which may be necessary.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I want to speak for just a few moments as it certainly is not the intent of the opposition to hold up the bill.

Mr. Knowles: Some have a baker turned into a farmer.

Mr. Baker (Nepean-Carleton): I am surprised the hon. member for Winnipeg North Centre (Mr. Knowles) is not too familiar with the riding in which he resides from time to time. As he should be aware if he drives outside the area where he and I both live, there is a very large agricultural area. As you yourself are aware, Mr. Speaker, there is a very large area—the city of Nepean itself, the township of Goulburn, the township of Rideau, the township of Osgoode, have some of the finest agricultural land in Ontario. We are rather proud of this, but that is not the reason I rise. I rise, Mr. Speaker, to indicate to the minister that we want him to have passage of this bill today because we think it is important that he has it today. We also want him to have the next bill, the livestock assistance legislation, today, and we do not intend to impede the passage of that bill, either.

I want to point out to the minister and ask him to recall, if he would, the exchange which took place today between the