

Committee Reports

be worse by the fall. In the grain-producing part of the country, with prices going down on August 1, we can expect a fairly major increase in the percentage of farmers who will be looking someplace else to make a living.

Although I am not wildly supportive of increasing the price of domestic wheat to \$10, I think that if it is the only direction we can go, then we must accept it, with all the problems that are there; but there are other ways of doing it, and I hope that the Government will look at them. The main one, also a recommendation of the committee, is that the Government recognize the need for deficiency payments to increase the cash flow. There should be recognition that a very small portion of our total grain production would be affected by increasing the domestic price of wheat and, consequently, going through the process of protecting the low-income consumer and ensuring that our wheat products are still competitive in the world against the exports that we will have to face, may make it much easier for the Government to say, "Let us establish a deficiency payment level, put that in place, and not worry about the domestic price of wheat". In the process, not only would the wheat producers be helped a little bit, but it would help all grain producers quite a lot. That would be a solution recognized by the committee, but it would not have the real, inherent problems with which the Government would have to deal if it were to accept the recommendation of two-price wheat or the domestic wheat price at \$10 a bushel.

I hope that the Government takes a good look at the report and then recognizes that there are other ways of dealing with the problem, ways which are less difficult and more likely to solve the numerous problems faced by farmers, not only those in the grain area, but also those involving most of the commodities that are today much lower in price than the cost of production.

Mr. Wilson (Swift Current—Maple Creek): Mr. Speaker, I would just like to direct a question to the Hon. Member for Prince Albert (Mr. Hovdebo). The Hon. Member was not part of the committee on the pricing of domestic wheat, but I know him to be a farmer and certainly to understand the problems of agriculture. While he recognizes the limitations inherent in any suggestion of raising the price of domestic wheat, he does appear to support that notion in principle and also, I think, finds favour with the fourth recommendation the committee made, that is, the unanimous recommendation that the Government give consideration to a deficiency and/or stabilization payment for the crop year beginning August 1, 1986.

One of our colleagues in the House, the Hon. Member for Wetaskiwin (Mr. Schellenberger), has in the past brought forward a suggestion that consideration be given to some sort of tariff or levy on groceries, in essence, that stem from agricultural production. He suggested that such a levy be placed at or near the point of retail sale with the idea that if that levy could be captured and returned back to the producer, to the grower of the produce, in this case wheat, it might be a more efficient and better way to deliver a benefit from the

consumer back to the producer. It is true that some people might call that a tax or a levy on food, but there are many, many other taxes and levies which impact on the cost of food all through the chain. Is the Hon. Member aware of this suggestion made by the Hon. Member for Wetaskiwin concerning the notion of a tariff or a levy? Does it find any favour with him?

• (1310)

Mr. Hovdebo: Mr. Speaker, I thank the Hon. Member for his question. I have to agree with the Hon. Member for Gatineau (Mrs. Maily) who spoke on this subject earlier. I, too, have a natural abhorrence to adding a tax on to the products which come from wheat, and that it is what it would be seen to be. In fact, it would be a continuous reminder, possibly a negative one, that we have a real problem in buying and using our own grain. I would rather suggest that a recommendation be made along the lines of the statement made by the Minister of State for the Canadian Wheat Board (Mr. Mayer) in committee not long ago. He suggested that there must be some way of putting up the domestic price of wheat while not having it multiply as it goes through the chain. From my reading of the report I know that the committee looked at that possibility. It seems to me that the mechanics of keeping the price down as it goes through the chain from miller to processor to baker and to retailer would be easier to accomplish than the collection of tax would be, although it would require a structure which some people would find abhorrent.

My short answer to the Hon. Member's question is that I can see the value in such a system in terms of getting the extra money into the operation. However, I think it would be doing something which all of us have avoided doing as much as possible for the last many years.

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, I am pleased to join in this debate concerning the report of the Special Committee on the Pricing of Domestic Wheat and Its Products. This is a committee which was formed as a result of a Private Member's Motion moved on December 13 of last year to the effect that a committee be appointed to prepare and bring in a Bill with the objective of providing higher returns for wheat producers from wheat sales for human consumption in the domestic market-place while avoiding undue hardship to processors, consumers and other wheat users.

In moving such a motion last December I made reference to the farm income crisis facing Saskatchewan and Canadian agriculture, with particular reference to the grain farmer. Some 80 per cent of the Canadian wheat crop is marketed internationally, which accounts for much of Canada's favourable balance of trade in agriculture. The remaining 20 per cent of Canadian production is used domestically, with approximately half of it going toward animal feed and the other half finding its way into wheat-based products for human consumption. Unfortunately, record world wheat crops have increased