

down. This is basically a good step, but it should be made permanent.

The whole philosophy of price guarantees and price supports should be applied to all farm products. The principle is sound. If there were price guarantees farmers would be able to plan in the spring for what they would receive in the fall. The farmer gambles on the weather, on world conditions, on the international market; why he should have to gamble with government programs is beyond me.

I should like to see an amendment moved in committee to provide for the indexing of the price to the farmer for wheat consumed domestically. Maybe we should index the floor price, or the government subsidy, or the ceiling price. If not, the farmer could find the price of grain frozen for seven years while his costs of production skyrocket. Perhaps there could be indexing in the manner that has been developed for taxation, old age pensions, family allowances and such things. The basis of the index could be the increase in the costs of production. The alternative would be a clause in the bill to provide for review by the House of Commons each year. If an upward adjustment were necessary, then this House would make it.

Another point is that we should provide for policing of the bill. One of its purposes is to provide a consumer subsidy so that an increase in the price of wheat will not necessarily mean an increase in the price of bread. When there are subsidies or taxcuts on items like clothing or children's footwear the saving is not always passed on by the wholesalers or retailers, but is sometimes regarded by them as extra profits or dividends for their shareholders. This legislation should be policed to make sure that that does not happen with this subsidy. It is not intended for the companies, for Weston's or any other miller.

This legislation was first announced in September, 1973, and in September, the millers announced that the price of a loaf would be increased by four cents. After pressure from this House and the Food Prices Review Board, the increase was rolled back to two cents. Despite the fact that the price of wheat had not gone up, in August, 1974, the millers announced that the price of a loaf would go up by three cents in the middle of September. So, since this legislation was introduced the price of bread has gone up by five cents a loaf despite the fact that the price of wheat has not increased. We are aware that there are many other inputs in the price of a loaf, but I wonder whether the five-cent increase reflects the legitimate costs to the bakers.

If we pass this legislation it seems to me that the Food Prices Review Board or some such body should police it to make sure that someone is not pocketing the subsidy at the expense of the Canadian taxpayer.

Those are some of the concerns I have about the bill, Madam Speaker. We support it in principle, but we should keep in mind that it is only a small step, toward providing the farmers of western Canada and the other wheat producers with income security. We must have a stabilization plan to cover all products and to take into account the increased costs of production. Unless we have that, farmers will not be able to continue in business.

Wheat Payments

We just have to look around the world to see how people are starving. This should be one of the first considerations of the food conference in Rome in November.

There should be price guarantees, floor prices, price supports on all farm products whether consumed domestically by human beings, or exported. If we do this we will not only help the Canadian farmer but will be playing our part in the world as a great food producing nation.

We must also consider the very low initial payment when we talk about wheat. Wheat is now selling in the world market for about \$6 a bushel, yet farmers in my area are getting only \$2 per bushel initial payment because the Wheat Board is holding back \$4. That is like saying to any worker that a half or two thirds of his income will be held until the end of the year, and then paid to him without interest. How would members of parliament react if 50 per cent of their salary were held back for nine or ten months and then paid without interest? Yet that is the way we are treating our farmers, and it must be changed. I hope the minister will have an announcement on it shortly.

Another thing that concerns me is that the initial price of feed grains is being held down and, as a result, many farmers are going to the open market where they get a higher price for grain delivered on the spot. It seems to me that there is a sly hand in this. I am suspicious of why the minister is not raising the initial price of feed grains, and wonder if he is trying to drive farmers to the open market so that he can then say that they do not use the Wheat Board. The government wants to sell feed grain on the open market. Obviously it does not want the Wheat Board, and thinks that perhaps we should get rid of it. How can the government's approach to orderly marketing be in the best interests of the farmers of this country? How can low initial payments—

Mr. McIsaac: On a point of order, Mr. Speaker, although I am interested in the remarks of the hon. member for Yorkton-Melville (Mr. Nystrom) who is speaking on feed grain policy, let me remind him that the bill before us deals with the implementation of a two-price system for wheat. Surely he can take all the latitude he wants in talking about the two-price system for wheat without talking about a totally different matter.

● (2150)

Mr. Deputy Speaker: Order, please. I am sure the hon. member will revert to the subject matter of the bill. I think he has nearly concluded his remarks.

Mr. Nystrom: Mr. Speaker, the parliamentary secretary has completely misunderstood my remarks. Perhaps I should start at the beginning. I am talking about the bill before us, and suggesting that the government should not introduce legislation like this in isolation. We need other bills of this kind. This is but one step in the right direction. We need more legislation which will guarantee prices for farmers so that we can protect them from the peaks and valleys of the open market. My remarks apply as much to feed grains, or wheat sold internationally, as to wheat sold domestically for human consumption in this country.

I am talking about the broad situation concerning farmers. We should not look at this in the narrow sense; let us