

Two-Price Wheat Act

farmers of western Canada. There are some 150,000 active producers. How could we ever have put a bill through this House that would force 150,000 producers of bread wheat in Canada to subsidize the consumers of bread across the entire nation? It is absurd. I am amazed that the government would have put in such a provision in the first place.

The farmers are probably losing \$1 million a week at this point as a result of the world price of bread grain being much above \$5. They only receive the maximum \$5. That point is not lost in the west.

This is another example of western raw resources being sold in the rest of Canada at much less than world prices. In a few minutes I will speak about oil being another example. Never in the entire history of this land have the farmers of the west paid less than full world price for combines, tractors and trucks. Never have they paid less than world prices for asbestos, or the electricity that goes into the manufacture of equipment, yet there seems to be this tendency to freeze the price of goods coming out of the west.

It is so inherently unfair that I must say, from the depths of my heart, that it is that feeling of unfairness that is going to take the west out of this country. In that vein, I must say that one of my own riding executive members has left my executive in order to join the western separatist party. Advertisements are in the western media calling for people to join. Over 200 memberships in the western separatist party have been sold in the Lethbridge-Foothills constituency. It is a very serious matter. I know those on the other side may laugh from time to time, but western separatism is in the same boat today that the PQ was in ten to 11 years ago. It hardly seems to be real Canadian justice.

The government proposed that under its new policy effective August 1, 1980, the minimum price will be \$5 and the maximum price will be \$7. It is no longer to be done by statute, but by regulation under the Canadian Wheat Board Act. Why is there a delay until August 1? Why not immediately? During the election the government led the farmers to believe it would be done instantaneously.

Why August 1? We have some eight to ten weeks to go. It is costing the western farmers over \$1 million a week, which will amount to \$8 million to \$10 million. The western farmers are faced with an enormous drought that is taking on truly catastrophic proportions in Manitoba and Saskatchewan. The federal government's response is to give support to the extent of \$5 million, which is but a drop in the budget. The amount that western farmers are losing on this subsidy alone will be \$8 million to \$10 million. So the government in giving \$5 million is still not doing anything significant. Another hon. member pointed out to me a few moments ago that we spent, as a nation, between \$4 million and \$5 million on a one-day Canada Day celebration. Surely that cannot be any more important than the needs of more than 100,000 producers in Manitoba and Saskatchewan who are really hurting under this drought.

● (1540)

I should also like to know why this bill was brought in through the Senate. I know that the minister who is formally in charge of the Wheat Board comes from the Senate, but we do have a minister sitting in this House who purports to have responsibility, and it seems to me the bill should have been introduced in the House of Commons because it is the members of the House of Commons who are elected by their constituents and who must respond to their needs. Neither is it lost on me that the minister who is supposed to be responsible for the Wheat Board never even took the time to make the major speech when the bill was brought forward. It was the parliamentary secretary who did that.

Under the new policy, the floor price would be five dollars. That simply is not good enough. If there is to be a floor price at all, or a maximum price at all, it needs to be tied to the cost of production. The hard reality the western producer faces today is that the cost of production is rising enormously, and the most significant increase among the elements which make up his cost of production is interest on operating loans. We know that this high interest cost is simply the result of the federal Liberal government taking this nation from the point of balanced budgets to a national deficit of between \$70 billion and \$80 billion, and a yearly deficit of \$14 billion.

We all know that the amount paid today in interest is greater than the entire federal budget of less than ten years ago. We know, too, that of every dollar paid in taxes, some 20 to 25 cents go to service debt without reducing the principal of that debt one bit. Meanwhile, the government is out borrowing more billions of dollars.

We recently passed a bill under a form of closure providing the government with a \$12 billion borrowing authority. When the government is out in the market place competing with producers for money, with no limit on the amount of interest it can pay, as compared with a farming or business unit which has to tie interest payments to the ultimate price of its products, the ordinary farmer cannot compete. Of course the government gets the money, but it hurts the farmer. As a result, the farmer is paying much more by way of interest than he can really handle, and this should be factored into the flexibility for which we are asking should the floor price be indexed. It is not lost on the farmers of western Canada that the price of grain has to go up some 40 cents before the price of a loaf of bread goes up one penny.

There is a further point I should like to make. Surely the government could not have intended this to happen, but its policies on meat, on wheat, and on oil, have genuinely hurt the west for the benefit of central Canada. You know, Mr. Speaker, from your experience in the House, what happened to beef producers as a result of the LIFT program brought in by an all-knowing Liberal government believing it could advise farmers on what to produce, and paying them \$10 to take their land out of grain production and put it into grass. The effect was to increase the beef herd enormously; we therefore had calves coming out of our ears and the price, naturally, fell. What did the government do? Nothing? No, that is not fair. It did do