

*Adjournment Debate*

However, New Brunswick and the province of the hon. member, Nova Scotia, announced their intention to retire from this area whereas Quebec has recently reduced its tax rate in a gesture that leads way to a possible withdrawal.

As to the implementation of the personal income tax on capital gains coming from the sale of land, the Minister of Finance (Mr. Turner) recommended in his budget speech of February 19 that we should allow farmers in the future to leave their land to their children, at the time of death, without paying taxes.

Moreover, Mr. Speaker, we know that the Minister of Finance tabled yesterday motions of ways and means which make it possible to extend these provisions to transfers inter vivos, that is to say, when the farmer is alive.

As for help to small businesses, we know that the government is reviewing all this matter and that it is committed to report on this to Parliament as soon as possible.

[*English*]

GRAIN—SUGGESTED INCREASE IN SUBSIDIZED PRICE OF  
WHEAT FOR DOMESTIC CONSUMPTION

**Mr. Bill Knight (Assiniboia):** Mr. Speaker, on January 18 I put a question to the minister in charge of the Wheat Board (Mr. Lang) which I wish to pursue tonight. It reads as follows, as recorded in *Hansard*:

Mr. Speaker, I have a supplementary question relating to the two-price system. In view of the fact the international wheat price is at least 50 cents above the domestic price paid by the millers of \$1.95½ a bushel, can the minister inform the House whether the subsidized price of \$3 a bushel will be increased by at least 50 cents in comparison with what was paid last year?

The minister replied:

The \$3 price ensures, of course, that the farmer in the prairie region obtains that price for the wheat consumed in Canada, and that price is still well above the international price.

I want to point out to the parliamentary secretary that the statement made by the minister in charge of the Wheat Board is totally misleading in terms of the two-price system. Let me give a number of reasons in the short time available to me. First, the domestic price paid by millers in this country to handle Canadian wheat is \$1.95½ a bushel, basis Thunder Bay. The subsidized price is \$3 a bushel. The difference is subsidized by the federal government.

What the minister failed to point out was that the difference between \$1.95½ and \$3 is not paid directly to the wheat producer but is paid on an acreage basis on all six grains. Therefore, when the international price for wheat rises for the first time in a long time above the fixed price of \$1.95½ a bushel, when it goes up to \$2.68 a bushel, the western producer of wheat loses at least 50 cents or more per bushel on domestically consumed wheat. That means in one crop year a minimum loss to wheat producers of \$30 million. This is the kind of information which I would like to point out for the information of the minister in charge of the Wheat Board.

Further to that, since I asked that question the minister has sent out a questionnaire to all producers in western Canada. It was sent out to all permit book holders, not

[*Mr. Comtois.*]

just to wheat producers. As pointed out by the Saskatchewan, Manitoba and Alberta wheat pools, the questionnaire was heavily loaded in terms of getting the farmers to answer on an acreage basis. I would like to point out to the minister that the questionnaire was worded in such a way that the only answer a farmer could give, if he was trying to be fair, was on the basis of acreage payment. I point out that an area such as Assiniboia constituency, which is 90 per cent wheat producing, replied as being 28 per cent in the affirmative when I asked the following question:

• (2210)

This spring should see another payment under the two-price system for wheat. What would you prefer—the present system of \$3 per bushel for the top grade sold on the domestic market and distributed on an acreage basis on all six grains?

But when I asked, would they prefer a guaranteed price of \$3 a bushel, for example, on the first 2,000 bushels sold, 71 per cent of the producers replying said that they would like it on this basis. This is something I want to point out to the minister in terms of the discrepancy in the questionnaire he sent out to producers in western Canada. Furthermore, I take issue with him in sending the questionnaire to all permit book holders, because when it comes to the question of rye, rapeseed and flax, are the producers of southern Saskatchewan going to have the opportunity of saying that those three grains should come under the Wheat Board when they are just producing wheat? After all, when it came to the question of the two-price wheat system, all the grain producers were allowed to answer as to whether or not payments should be made on an acreage basis. This is something that should be pointed out to the minister.

There is one final point I wish to make. I would hope that in the future any questionnaire sent out relating to two-price systems, or to the question of whether certain grains should be under the jurisdiction of the Wheat Board, should give the farmers enough choices so they could make a fair reply, rather than what happened in this particular case. The answer to the problem of a realistic two-price system for wheat producers is to ensure that there is a guaranteed minimum price for all six grains. When you have a domestic price for wheat related to costs, you can assure the domestic producer of wheat, as well as the other producers, of a minimum price.

**Mr. J.-Roland Comtois (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, the minister responsible for the Canadian Wheat Board (Mr. Lang) wishes to point out that there always has been a significant argument in favour of paying the two-price wheat money supplied by the federal treasury to all wheat producers on the basis of their potential rather than on the basis of their actual production. Every grain farmer is a potential wheat producer. This is borne out by the fact that every shipping bloc in western Canada delivers wheat through the Canadian Wheat Board system. If the payment was made on the basis of wheat only, every producer would likely produce enough wheat to qualify for the payment. This is particularly and significantly true if you think in terms of a payment on a limited number of bushels of wheat. The advantages in favour of helping the smaller farmer, in