

Committee Reports

wheat producers for whom the crisis means a shortfall in their income of maybe \$700 million compared with last year.

The initial price of wheat announced by the the Canadian Wheat Board will mean a shortfall of this magnitude for wheat producers. In our opinion, if we were to avoid causing too much upheaval in the agro-food industry and hitting the consumers too hard, and if we wanted to add controls and safeguards for the consumers, such as when we ask for the assistance of the Department of Consumer and Corporate Affairs or suggest a tax credit for the disadvantaged, the maximum increase permissible would bring up the price to \$10.

Accordingly, where do we get the difference in losses between the \$180 million at the most that can be derived from a serious and responsible increase, and the \$700-odd million needed to have them back in a situation similar to that of last year? This is why we also recommended that an extra payment be added to the increase in the price of domestic wheat.

Earlier, my colleague for Algoma (Mr. Foster), in answer to my questions in which I suggested that if we had covered that loss of revenue simply by an added payment, without changing the domestic price for wheat, replied that perhaps hundreds of millions would have to be found. But, finally, could he explain where those hundreds of millions would come from, which would have to be added up to the national debt . . . Could we over-burden the agro-food industry or the farming industry with an increased interest charge that would result from increasing the deficit in order to allow a full added payment without changing the domestic wheat price? We would not know where those additional funds would come from and they could as well be attributed he said . . . for instance, to the expenditures incurred by the Prime Minister's Office. I would suggest to him, Mr. Speaker, that the Prime Minister's Office can only spend within the budget that was approved in the Estimates, and this has nothing to do with the national debt. Moreover, he referred to the western banks which were in difficulty and which the Government chose to help because their depositors were in a critical situation. He said that if the Government had \$1 billion to spend helping the Banks, why would it not have \$1 billion to help wheat producers?

That argument does not hold, Mr. Speaker, because the Government did not help those banks. What the Government did, and indeed it was a critical situation, it helped depositors, small municipalities, people with small savings, even unions, farmers' unions, even farmers. My colleague for Red Deer (Mr. Towers) gave instances of farmers in his constituency, in his municipality, where everybody would have lost \$50 because of the debt the municipality would have been left with had not the Government of Canada helped those depositors. It is therefore twisted logic to suggest that the Government is able to find funds when it wants to. This is not the way things work. And, anyway, perhaps it is because of the approach to the national debt which the previous administration had, and which was supported by the Hon. Member for Algoma that at one time we found ourselves with those interest rates between

22 and 25 per cent that sent our western wheat producers belly-up and which may have sent farmers in his own Ontario constituency belly-up too. Because whenever interest rates increase by one point under the pressure of a growing deficit, an extra \$210 million must be paid by wheat producers. And as we very well know for those producers, especially the younger ones with the most productive farms, loans are absolutely essential to remain on top of things, to get the equipment needed for large farms to remain viable, and 22 per cent interest rates are an unacceptable burden to anyone. Not only to wheat producers or farmers generally, but also to homeowners. Just how many of them have lost their properties when interest rates were sky-high during the 1982 crisis?

Mr. Speaker, having considered all these challenges and problems, the Committee has come up with the recommendations which appear in its report.

I, for one, believed that it was really an emergency response to recommend a price increase for wheat from \$7 to \$10 a bushel. I was personally quite concerned about the consumers, especially the least affluent of them, having to assume an excessive increase. That is why we have this recommendation that the Department of Consumer and Corporate Affairs be empowered to control the increase passed on to consumers.

It is for that reason also, Mr. Speaker, that, as indicated in the Minutes of Proceedings, it was I who moved a motion that the two price wheat policy be temporarily maintained and that it be used to help producers in a crisis situation. However, I had suggested a more modest increase.

Mr. Speaker, in a democratic system, the voice of the majority should prevail whether we agree or not with a proposal. That is why I find that, generally speaking, this report, with its control measures, the monitoring power granted to the Department of Consumer and Corporate Affairs, a recommendation to the Government of the day to negotiate a better treaty to support the world price for wheat and make our producers more competitive—was a responsible approach.

That is why I have accepted that my motion calling for a price increase to \$8 on January 1, and to \$9 next August, be defeated. Mr. Speaker, I have been persuaded that wheat producers needed these \$180 million right away, at the end of crop year 1986-87, and that thanks to our monitoring and control measures, we could effectively protect consumers.

In concluding, Mr. Speaker, I would like to suggest that the Government of Canada, my Government, might seriously consider a proposition I made: instead of increasing domestic wheat prices it should impose a business transfer tax on the entire wheat processing industry and set these funds aside for the agri-food sector. This would make it possible to help producers through critical periods, and consumers would pay only for the portion going to the producers.

These are my closing words, Mr. Speaker. I strongly urge the Government to give serious consideration to this mechanism I am proposing, for I think it would be widely accepted