

established practice in grain producing areas that when you believe it is in the interest of the country to either continue or to increase production, you should at least ensure the farmer an adequate return for that portion of his production which will be used in Canada, because surely we want to make certain that farmers can cover the cost of production. That is all an indexing formula tied to the \$3.25 would do.

Let us suppose that the goods and services which farmers buy compare, relatively speaking, to the rate of inflation. If the rate of inflation is 1 per cent a month, 12 per cent a year, why can the \$3.25 not go up by 12 per cent next year? If the minister does not want to foist that increase on the consumers, why does he not increase the \$1.75 portion that the federal government is paying, by the rate of inflation? If the minister adjusted any one of these two figures he would show the country, and the farmers in particular, that his heart is in the right place and that he understands the problem.

We farmers see one union contract after another being signed with a COLA clause embodied in it. The COLA clause became popular after it appeared in the grain handlers contract. I do not blame them. But if you look at any other negotiations that are taking place anywhere in Canada, you will see that they all ask for a COLA clause. What is a COLA clause? It is a clause that writes into the contract increases according to the rate of inflation. I see the Postmaster General (Mr. Mackasey), who has an understanding of labour contracts, listening. I am glad he is here and I hope he is sympathetic. All I ask is that a similar clause be written into this bill.

Farmers must be assured that subsidization to the consumers of Canada will not necessarily increase, but that the government's share will increase by the rate of inflation. The government has forced that principle upon other workers. It has forced the grain companies to pay it to the grain handlers, and it will probably include it in the contract with the grain inspectors. It is included in nearly every labour contract signed these days, whether it be with the air transport controllers or the Post Office workers.

Here we have a floor price of \$3.25 being placed on wheat consumed in Canada, and another \$1.75 being paid by the government. Over and above that there is the subsidization by the farmer of the Canadian consumer. So this is broken down into three categories. The purpose of this bill is to maintain a low price for bread in Canada, and I have no quarrel with that principle at all. All I am saying is that, as a farmer, I do not trust the \$3.25 floor because it does not cover the cost of production today and it will not tomorrow.

What I am saying is: put a COLA clause into the legislation for the farmers. If the minister does not wish to add a COLA clause or add the cost of inflation to the \$3.25, then that is a political decision and I would not blame the government for not wanting to take it. But if he adds it to the \$1.75 that is to be paid to farmers whose costs are going up, then I would support it. Should the farmer not be treated in the same way as every other person in Canada, whether he be a unionized worker or a civil servant? Every contract, whether it be with the grain inspectors or the railway workers, will be asking for more

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wages this winter. The grain handlers got it, and the air terminal workers will be asking for it; so will Post Office workers.

All I am saying is that we should increase either the \$3.25 or the \$1.75 by the rate of inflation. I think I would prefer having the second figure increased, because then I would not be forcing the consumers of my product to pay more for bread, and I would not be suffering from increased costs of production which the \$3.25 will certainly not cover.

I know that the government wants to be better understood on the prairies and better received there. If it wants to show the farmers that its heart is in the right place, let it treat the farmers in the same way as it treated the grain handlers and will treat every other worker, whether or not he is unionized. All the government has to do is add a COLA clause, an indexing system, to this legislation. I am not asking the minister to add an indexing provision to all the grain sold internationally, because that is a decision which farmers must make. If they cannot produce cheaply enough to get their product on to the international market, then perhaps they should not produce, or else we should not allow their costs of production to go up too much. If Canadian consumers should eat bread produced in Canada, there should be a declaration by us to provide enough bread for consumers in Canada. If we make such a declaration, then we should add a COLA clause to this legislation saying that the cost of production will be taken into consideration and an indexing system will be included.

Bill C-19 asks for a seven-year contract. The Postmaster General who is in the House now knows he could not find one labour union in Canada that would sit down at the bargaining table and sign a contract for seven years. They would not even approach the table. They are only ready to make a deal for one year. But this bill is asking Canadian farmers to make a deal for seven years, without even a COLA clause being written into it. What kind of suckers do they think Canadian farmers are? What kind of blind people do they think Canadian farmers are?

I listened to the hon. member for Red Deer (Mr. Towers) make a speech this afternoon. He was right when he said that western farmers like to produce. But if they have no money to pay for the fuel, to pay the taxes or to pay for the longer hauls that the Minister of Justice will require for wheat, then they cannot produce enough wheat for all Canadians. It is the obligation of this parliament to recognize the serious situation in which farmers find themselves. Inflation is rapidly increasing, and I firmly believe it was the rapid devaluation of the American dollar that started this round of inflation. But I recognize that the huge wage contracts of 65 per cent or 70 per cent now being settled will add impetus to what might be called the second round of inflation. I do not see any abrupt end to it, although I should like to see it trailing off.

● (1710)

The government is asking us to sign a seven-year contract to provide Canadian consumers with wheat. The very least it could do is write a COLA clause into the contract. Not one worker today would negotiate a seven-year contract or any kind of wage settlement without