

supermarkets, the wheat farmer receives about 15 cents. This means that on a hypothetical 25-cent loaf, the farmer receives about 3½ cents. Therefore, if the farmer were giving his wheat away, it would still cost us 21½ cents for that loaf of bread. Controlling the price of wheat will have almost nothing to do with subsidizing the consumer because that is not where control is required. Control in respect of bread prices must really relate to all other processes; it must relate to labour, baking, transportation and, finally, the supermarkets and their profit.

While I commend the minister for his intention to introduce a two-price system, this bill falls far short of the objective he outlined in support of it. I should also like to comment on the floor price of \$5 starting in 1974 and continuing to 1980. The unfortunate situation is that this puts the farmer into a six-year period during which the government establishes what the price will be. I cannot think of anything more frightening or dangerous to the farming community or the producer of food than such an established rate being written into the legislation.

We have all witnessed what has happened in the oil industry in the past few years, with the tremendous increases that have taken place in the price of a barrel of crude oil. When we look at the indicators on the international scene, which can reflect on the price of grain, we see many things which indicate that the price of wheat will in fact increase. Let us look at some of the indicators which show that grain will go up in price. First of all, if we were, hypothetically, to divide all the food of the world among all people, we would find there would be barely enough carbohydrates to go around, and not enough protein. That is the situation at the present time. With the increase in world population, this means we will be falling increasingly further behind in meeting this need.

Let us take India as an example. In that country there are some 77 million more human mouths to feed each year. That is four times the present population of Canada. We must remember that figure in light of the fact that at the present time Canada is expecting a decrease in its grain yield, the United States will have something less than a quarter of its corn production, and the Soviet Union is barely holding its own. We are looking at something like 30 million tons of cereal grain less on the world market this year, so the situation is extremely critical.

Let us couple that situation with the fact that, with the shortage of petroleum and its very high cost, the production of nitrogen fertilizer is very much restricted. This means that we will have more people in need of more food. With all the inputs, including inflation and the cost of farm machinery, this means the price of wheat on the international market is bound to go up. Then we look at this bill and see that it locks in, for a period of six years, the price of wheat to be sold in Canada. If I were a grain producer in Canada today, I would be extremely concerned because unless there is an amendment to this legislation, this means a six-year freeze on the wheat producing people. I would simply ask, who would accept a six-year freeze on any other industry? Certainly the banker would not accept that his interest rates be fixed for six years. Farm machinery producers would not accept that their prices be fixed for six years. Those who produce

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the tires, chemicals and other things required in agriculture would not accept a six-year freeze.

It is crucially important that this bill be amended so that there is some kind of relationship between the payments and the cost of production. If there is no such relationship, I think this is a tremendous insult to the producer of food. There is, in fact, nothing that is more important in the world today than giving a feeling of professionalism and encouragement to those who produce food at an ever increasing rate.

There is one other aspect of this bill that I think must be taken into account, and that is the following statement on page 3:

—this act together with interest thereon at a rate per annum fixed by order of the Minister of Finance for the period commencing with the first day after the end of the month—

First of all, this means that the farmer is, by a two-price system, really getting his money, not in terms of a subsidy but in two payments. It is his money, and this just means he gets his second payment later. The fact that it is his money means it is on loan to the government. I think it is important, then, that he not be treated as he has traditionally and given an insignificant amount of interest for that money, but that he be given interest at the regular lending rate. Why should farmers support the federal government, which should at least be able to pay lending rates for money?

● (1550)

The other thing I question is—again, I think it is an insult to those who want to see a professional approach to agriculture—why we are waiting 30 days? The fact is that on a fairly major shipment of grain, 30 days could add up to a considerable sum in interest. Also, I think it is important to note that here again, if you were to borrow money from a bank for 30 days; you would have to pay for that money from the very beginning. This should apply in all cases. Calculations do not start on the first day of the following month, because this would mean that those who sold on the 1st or the 2nd of the month would have given up that payment for a full 30 days before interest began.

It is obvious, then, that if we want to create an environment in which we encourage the producers of grain to produce much more extensively than in the past, they must receive proper rewards for their efforts. If we are to meet the food shortages that exist in the world, then obviously producers of grain should be given the kind of rewards that match those of any other industry. I say that the bill before us does not treat agriculture as an industry, but as something that is subservient to the rest of society, inasmuch as the interest rates are not to be as high or given as freely, and there is no real relationship between the cost of production of grain and the amount which the farmer receives.

We might stay on that subject for just a moment. I should like to point out that very recently this House considered legislation dealing with the west coast grain handlers strike. At that time, the principal argument of the government was that the west coast grain handlers should have parity with the longshoremen working on the same docks. May I ask that if the government accepts that argument, then why not accept a similar argument for