

*Grain***PRIVATE MEMBERS' MOTIONS**

[English]

**GRAIN****PRICE OF CANADIAN RED SPRING WHEAT****Mr. Bill McKnight (Kindersley-Lloydminster)** moved:

That, in the opinion of this House, the Government should consider the advisability of setting the price of Canadian Red Spring Wheat for domestic human consumption at a minimum floor level of \$7.00 a bushel without any maximum ceiling price restriction.

He said: Mr. Speaker, I already hear comments from the other side saying "you cannot have it both ways". I would just like to draw a little bit of background for the motion that I put forward.

This motion first had second reading on July 7, 1980. The background to the motion is tied very closely with a Government Bill, Bill S-6, which basically removes the legal obligation of the present Government to the tune of about \$200 million that it owes western producers and which legally became due on July 31, 1980 when the so-called Two-Price Wheat Act was about to expire.

The Two-Price Wheat Act was introduced by the Hon. Otto Lang in 1974 and he stated at that time that the specific purpose of this Bill was to enshrine for a period of seven years a procedure whereby the treasury supplements payments for the domestic consumption of wheat. Mr. Lang did admit that it was in the nature of a consumer subsidy. At no time in this Bill was there any consideration of cost of production and it was to stay in effect for seven years.

Bill S-6, which is the Two-Price Wheat Act, advances the termination due date to November 30, 1978 instead of July 30, 1980, which really obligates the present Government to pay the producer what he has been receiving since December, 1978 directly from the marketplace. Without the passage of Bill S-6 the Government would legally, in effect, owe the farmers \$200 million.

When I put forward my motion, the price of grain had been adjusted by the Minister presently responsible for the Canadian Wheat Board, Senator Argue. It had been adjusted upwards and the maximum for Red Spring Wheat was set at \$7 a bushel and the minimum for Red Spring Wheat was set at \$5 a bushel. For a bushel of Canadian Amber Durum the price was set at a minimum of \$5 and there was no maximum. There was not a cap. This shows that whoever was in charge of the Bill at that time did not understand that it takes the same machinery, the same amount of moisture and the same amount of good luck from mother nature to produce a bushel of Durum Wheat as it does to produce a bushel of Spring Wheat.

On February 4, 1983 the prices received by the producers in the Canadian Wheat Board area were, for 1CWRS in store at Thunder Bay, \$5.60 a bushel; for 1 CWRS in store at Vancouver, \$6.11 a bushel; 1CWAD in store at Thunder Bay, \$5.22 a bushel; and for 1CWAD in store at Vancouver, \$5.66 a bushel.

• (1620)

It will be seen that prices have fallen drastically since last year, where they had not exceeded \$7 a bushel but were within 23 cents of that price. It has not been the case in the past that the producer receives funds from the Government. It was a subsidy to the consumer at the expense of the producer.

In 1979 action was taken by the Hon. Member for Vegreville (Mr. Mazankowski) to obtain Cabinet approval to set the price of grain at a floor level of \$6 a bushel, \$1 a bushel above the 1980-81 crop year price for domestic grain. As we move along, we see the price of grain dropping and we see the subsidy that has been paid under the two-price wheat system. Payments to consumers between 1973 and 1978 were \$396 million, whereas in the period since 1967 the federal Government made payments to producers of only \$76 million. That is a difference of \$320 million by which grain growers within the Wheat Board area have subsidized consumers of grain in this country.

The problem with the Two-Price Wheat Act is that at present there is no indexing to reflect the cost of production. There has never been specific legislation by which that indexing or cost of production could be placed within the Act. Under Bill S-6, the present Two-Price Wheat Act, there is no method or mechanism to put in the cost of production.

The open-ended freight rates that we as producers in Western Canada are now seeing that will be imposed upon the producers in the Wheat Board area demand that there be some consideration within the Two-Price Wheat Act for the cost of production. The present proposal of the Government is that from the 1982-83 to the 1985-86 crop years, farmers will see the cost of moving their grain increased by 91 per cent. By the way, all this is in a six and five world. The producers of grain will have to pay an additional 91 per cent by the year 1986.

That is not as bad as looking forward to the year 1990 where producers will be paying five times what they are now paying. The railroads will be receiving 1000 per cent more, or ten times the present statutory rate. It bears drawing to the attention of the House that this Government pays someone \$800 or \$925 a day to study the problems of the economy. I could forward names of people from every walk of life in my riding who would supply that information to the Government without cost. They have been attempting to do so over the last three years, but the Government does not appear to be paying too much attention.

The producers of grain in Western Canada wonder who is here to protect their interests. I would assume that would be the sole responsibility of the Minister responsible for the Canadian Wheat Board. However, when the announcement was made regarding the change in the statutory rate, the Hon. Senator was in Paris. I am not too sure what he was doing. Maybe he was explaining to the Common Market people that we do not have any subsidies for our farmers in comparison to theirs. I hope that is what he was doing. We found several examples. It makes one wonder who is protecting the interests of the grain producer.