

site have talked about the "destruction", "removal" or "abolition" of the benefit of the Crowsnest rates. It is important to consider what the minister said both in Edmonton and in this House with regard to questions on that point. He said the benefits of the Crow rates must be, and will be, preserved. He stated it is his intention to see they are preserved in statutory form. That is the essential point.

There is no question that the benefit of the Crow rates are to be preserved for western grain producers. That is clear. It is a fact that they will be preserved. The issue is how best to do it. Do we serve the interests of the prairie grain producers best by putting money into the coffers of the railway companies so they can spend it on industrial centres in Toronto, Halifax and elsewhere? If we want to give a benefit to the western grain producer, surely there is a more direct way of doing it. That is the question we have to face. We do not have all the answers at this stage.

It is crucial to the future interests of western grain producers that we examine where the real costs and benefits are and ensure they receive the maximum of those benefits. That is what the minister said, and that is the direction in which we should move. We should not be afraid of a bogeyman coming up at one point or another in the examination. If we are to assure the future of western agriculture, we must be prepared to examine the situation.

Finally, I wish to make a brief comment on the remarks of the hon. member for Moose Jaw (Mr. Neil). He spoke about cheques being mailed in late May and early June in connection with the old two-price wheat program, and the cheques sent to special permit holders. There was some suggestion that that was an election plot of sorts. I had direct experience in that matter. My constituency was probably as much affected as his. The farmers in my area who were eligible for the payment received their cheques in the last week of May or the first week of June. They received a letter indicating a computer error with the cheques in the mail between the middle and the end of June, prior to the election.

Mr. Neil: Not in my constituency.

Mr. Goodale: They did in mine, and the results were rather satisfactory.

Mr. Frank Hamilton (Swift Current-Maple Creek): Madam Speaker, Bill C-19 makes law what has been accepted for the past year. It is just one more factor in an already overcomplicated grain industry. The tangle in the two-price payment for special permit holders brought literally dozens of letters from my area. It is something people just do not understand. What is desperately needed in our grain industry is confidence, not something to add to the confusion. The minister said this bill will enshrine the two-price system for seven years. That is a long time. As my colleagues have pointed out, consideration must be given to indexing.

The hon. member for Moose Jaw (Mr. Neil) talked about a small group of producers who will carry the whole load of subsidizing the bread consumers of this country. It is the producers who deliver the high quality milling wheat, 1 CW Red Spring, 13.5 per cent. The subsidy these producers are now carrying is over \$1 a bushel. This year the

Wheat Payments

load will fall on producers in southern Alberta and southwestern Saskatchewan, the only producers of high quality milling wheat to escape the frost. I do not remember a more mixed up crop as far as quality is concerned. Milling wheat is being bought and used for livestock feed and our overseas customers are becoming nervous. There is one man on the grain commission in Winnipeg who is responsible for over-all quality control. He is the chief chemist. If there has ever been a year when he is desperately needed at his desk in Winnipeg, it is this year. However, he and his family are in Quebec City on an extended French course.

The mess in which the cattle industry finds itself can be traced back to the grain conditions of a few years ago. There was no confidence in the industry. The minister and his advisers continually look backward. What we need is someone in the industry and someone in the government who will look ahead for a change. The whole idea of this legislation is to ensure that the price of bread in Canada will be lower than it would be otherwise. The minister spoke about a saving of five or six cents a loaf. My arithmetic does not confirm those figures. It is my understanding that it is possible to bake between 65 and 70 one-pound loaves from a bushel of wheat. The miller now pays \$3.25 at Thunder Bay for a 60-pound bushel of wheat. This works out to 5½ cents a pound for wheat. Just over half a pound of wheat is used in a loaf. Therefore, there is not much more than three cents worth of wheat in a loaf at the present time. The government subsidy of \$1.75 cannot account for more than 2½ cents a loaf. I question the need for this type of legislation, which could cost the taxpayers \$60 million and the producers of high quality wheat \$40 million for the 50 or 60 million bushels which will be used domestically.

● (1630)

I was surprised when the hon. member for Regina-Lake Centre (Mr. Benjamin) suggested there was only one floor price for milling wheat and Durum wheat. I understand from my reading of the bill that there are two—\$3.25 for milling wheat and \$5.75 for Durum wheat. I wish the minister would confirm this. I realize the hon. member for Regina-Lake Centre may have been a little unnerved, since the Prime Minister (Mr. Trudeau) indicated some time ago he was at the top of a very short list in Saskatchewan.

I want to take issue with the statement made that this legislation implements a two-price system for wheat. Consider one grade of wheat, the top grade milling wheat known as 1 CW. Right now, the producer receives \$2.25 a bushel at Thunder Bay through the Canadian Wheat Board. This means that 1 CW returns to the producer in my area about \$2.04 a bushel, if he is lucky enough to have that grade. The miller pays \$3.25 a bushel for 1 CW at Thunder Bay. It sells on the open market for \$3.83 or thereabouts. The same grade is quoted at over \$6 a bushel for export. Under our two-price system, 1 CW returns \$5 in total to the producer. It will return about \$5.50 if it is sold through the Wheat Board on the export market.

This maze of prices really has producers confused. I quote from the Alberta Grain Commission's report on feed grain prices, dated October 25, 1974, to give an idea of the range of wheat prices: Lethbridge, \$3.25 to \$3.60 a bushel;