

Wheat Payments

from all corners of the House. I therefore expect it to move forward through the remaining stages with expedition.

I noticed that a number of the comments of hon. members dealt with subjects not directly related to the bill. In dealing with the question of farmers' costs, the hon. member for Crowfoot (Mr. Horner) spoke about the question of Crowsnest rates. He referred to remarks I had made, which were put forward for consideration by the prairie farmers and the industry, in connection with whether there might be a better way for the prairies to benefit from the Crowsnest rates. This traditional and hallowed arrangement, as I call it, to which they are entitled will always be the same with this government and, I am sure, with successive governments because of the tradition associated with it.

The specific question which I put forward, and I did so for the benefit of the prairies, was as to whether the benefit of the Crowsnest rates could, in fact, be turned over to producers more directly and not necessarily still in the form of a specific, frozen rate on grain. I say that particularly in answer to the hon. member for Crowfoot who obviously misunderstood this important point.

The hon. member for Crowfoot argued that any change I was suggesting would in some fashion increase the cost to the producer if the rate on grain increased. Of course, if any increase in the rate of grain were matched by a transfer to the producer of an equivalent amount, it would not increase his costs. In fact, my argument—and I believe this to be for the probable benefit of the prairies—was that with the more flexible rate we might have a grain handling and transportation system that better meets the needs of the prairie farmer. It would allow him to have a better choice as to the kind of transportation system he wants, how he wants to relate to it, where he wants to deliver his grain, and at what cost. We would have a better transportation and handling system for an equivalent amount of money. I noted the hon. member for Crowfoot clearly missed that point. I am confident he would not want to distort the matter in that way, and I have tried to make that point for him now. It is an important point and I urge hon. members to consider it very seriously.

It is not accidental that I, a person who comes from the prairies, a principal grain growing area, have put forward the proposition that the Crowsnest rates might better benefit the prairie producers if they were handled in a different way. I do that, and hon. members who know my record of performance in fighting for things that are good for the prairie farmer and the west will appreciate that that is ample testimony and evidence that, once again, I see an opportunity to improve the lot of the prairie farmer in a clearcut way.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lang: There are, of course, some members opposite who do not always agree with those sentiments which I expressed, but I am happy to have the more eloquent testimony of a significant number of voters in Saskatchewan who happen to agree with that proposition.

Some hon. Members: Hear, hear!

[Mr. Lang.]

Mr. Lang: The hon. member for Assiniboia (Mr. Goode) pointed out that discussion on cost of production will be an important matter in connection with the stabilization bill which is being prepared for this session of parliament, and which we hope to have passed into law very quickly. I think it will be the most appropriate place for firm protection for the prairie grain producer against increases in the cost of production. In this particular situation, what we have involved—not in the bill but in the arrangement with regard to price which is outside the bill—is a range of prices in the form of a long-term agreement with a floor of \$3.25 and a ceiling of \$5.

I ask hon. members, particularly those who welcome long-term agreements, whether they would not now—or indeed would have a year ago when this principle was, in effect, accomplished—welcome a long-term agreement with other buyers with that kind of floor price and ceiling. Even today, when prices are higher than that ceiling, it seems to be a fairly attractive range for negotiations or discussions. When you are discussing a range of prices, you are really dealing with a market price which may rise or fall. Over the long term, we need to have increases equal to the cost of production. That is the nature of market prices. It is not a fixed price such as a wage which can be indexed to go forward every year. I hope hon. members understand that.

The basic agreement with regard to price is outside the bill. The bill is specifically for the transfer to the producers of the wheat of \$1.75 a bushel or such lesser amount as may be required when wheat is above \$3.25 in the case of Spring wheat, and above \$5.75 in the case of Durum. The arrangement with regard to the price for wheat, that the Wheat Board will sell at no higher or no lower price than \$3.25 for Spring wheat and \$5.75 for Durum, was included in an order in council adopted at the time the policy was announced. The order in council explained this arrangement through the seven-year period contemplated originally, through to 1980. The price for Durum payments from the treasury is triggered over the \$5.75 figure.

The hon. member for Regina-Lake Centre (Mr. Benjamin) asked why the eventual floor for Durum in the long-term arrangement is, in fact, the same as for Spring wheat, that is, \$3.25. This is an important question and one to which we gave full consideration. It was our conclusion that it would be inappropriate to take the temporary, very large difference in price between Durum and Spring wheat and enshrine it in the domestic wheat pricing arrangement. A review of prices over a long period shows that prices of Durum and other wheats produced in the prairie region are far closer than the present distance between them indicates. The difference at the present really reflects an unusual production and demand pattern. In fact, poor crops of Durum in one or two principle countries outside North America have resulted in these price discrepancies.

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Another form of analysis which we undertook concerned the number of bushels we could expect to be produced on various lands in the prairies which could grow both Durum and Spring wheat, and this analysis indicated a very close relationship in the yields between the two. There is a tradition on the prairies that Durum