

Wheat Payments

are witnessing a truly historic moment as we deliberate upon this measure.

Today we are moving toward the enshrinement in legislation of a fundamental measure which westerners of all stripes, political and otherwise, have talked about, sought and worked for over many years. The two-price wheat program has been called for, from time to time, by almost all political parties of any standing in western Canada. The question has been raised by farm spokesmen and farm organizations. Now, two-price wheat will become reality, with the co-operation of this House, and will be enshrined in the statute books of Canada. This is indeed a great day for the western grain producer.

Let me comment briefly on remarks made by other hon. members participating in this debate. Yesterday evening, when the minister introduced this legislation, he recited the historical background which has brought us to the present measure. He outlined adequately the mechanics of the legislation, and I need not repeat what he said. Let me comment, however, on a remark made earlier today by the hon. member for Battle River (Mr. Malone) who complained that this law will not introduce a true two-price system because it affects only domestic wheat for human consumption. Clearly, the intention of a two-price system is to do just that—to separate domestic and export wheat. We have talked about this for the past 30 years. One price is charged on the export market, and another on the domestic market.

An added feature of this legislation is the provision for a consumer subsidy. The treasury—ultimately the taxpayers of all Canada—will subsidize the consumer under this two-price system. Hence, when hon. members criticize this program and suggest it really does not involve a two-price system, I do not think they are being accurate. There has been much comment here today, and last night, concerning the cost of production. I sympathize here with hon. members; many of their points are valid. The cost of production relating to the producer of western Canada is a serious factor indeed. It is one which members of this House must consider carefully and deal with in due course.

We must bear several things in mind, however, when we talk about production costs being a factor in the two-price system. First, I suggest that members are inaccurate in suggesting that this bill constitutes a price freeze. I suggest that the bill provides, not for a freeze but for a broad, guaranteed range of prices. I say that because it guarantees a floor price for wheat, just as much as it does a ceiling.

Not even the most optimistic will suggest that during the next five or six years we can always expect to maintain present price levels. I know we all hope that we are beyond the days when wheat sold for \$2, \$1.98, \$1.95, \$1.50, or less. Nevertheless, we must be prepared in case the price falls. That is why this legislation is important, as it guarantees the domestic floor price for the next six years at least at \$3.25. It is particularly significant to note that price. Until just a few months ago, when conditions in the world market changed, this price was beyond our wildest dreams. Yet the government is guaranteeing this price for about the next seven years: it is guaranteeing it as a floor. That makes the range we are considering very significant and important.

[Mr. Goodale.]

The new floor price adequately and fairly reflects the situation we are witnessing today on world grain markets. Projections show that between now and 1980 there will be at least one—perhaps more—downturn in grain prices. On the basis of odds alone, let alone economic projections, we can look forward, unhappily, to at least one downturn in the grain market. Therefore, a floor price is an important feature. That distinguishes this measure from one imposing a freeze, something which might have adverse effects, considering the cost of production. In short, this bill guarantees the farmer a certain price range, and a fair one.

Secondly, on this matter of taking into consideration the costs of production, if conditions change drastically, as well they may, between now and 1980, if there is a downturn in the grain market—as grain producers of western Canada realize might happen—the figure provided for in the bill can be changed by this House to keep it in line with real circumstances. My third, and most important, point concerning the cost of production is this. It has been argued that this legislation should reflect specifically costs of production. I think that kind of suggestion is somewhat inappropriate in a discussion on a two-price system for wheat.

I ask hon. members to remember this government's commitment to an over-all western grains income stabilization program. That kind of concept is not particularly new to this House. It is a firm commitment of this government that we will be proceeding with that particular legislation as quickly as possible. Indeed, a week or so ago the minister indicated to the Standing Committee on Agriculture that he hoped to have that legislation ready for introduction within perhaps a week or so now. That is very significant. We look forward to that kind of legislation. Perhaps it is a more appropriate vehicle for trying to deal with the important question of the cost of production.

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The stabilization plan for western grain incomes, as we have heard from public pronouncements, will have a voluntary feature. This is very important. As well, it will be based, not upon gross grain receipts but net cash flow. That is a very significant distinction. It means the stabilization plan will have that essential link to the cost of production. The plan will not only become operative when markets or prices fall, but when costs squeeze up from the bottom and pinch the grain producer's profit margin.

I can understand the concern of members opposite about this cost of production factor: it is important. But I believe stabilization programs are a more important and a more effective vehicle for dealing with this problem. We have the assurance there will be legislation to confront the problem head-on. Probably that was the most significant comment by members opposite with regard to this legislation. Otherwise, I find that the sentiments of most members opposite are in support of the proposal put forward by the minister in this legislation.

There were comments which may have been a little off the point but nonetheless were "pointed". They concerned other factors that may, by one means or another, affect the western grain producer. There were some comments about the Crowsnest rates. The minister commented on this question in a recent speech in Edmonton. Members oppo-