

Oral Questions

VETERANS AFFAIRS

WAR VETERANS ALLOWANCE—POSSIBLE ADJUSTMENT OF CEILING TO PERMIT RECEIVING OLD AGE PENSION INCREASE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, a final supplementary to the Prime Minister, still on the question of Canadians in need relating to the position of veterans on War Veterans Allowance—

Mr. Speaker: Order, please. The Chair will recognize the hon. Leader of the Opposition for a supplementary question but I think I should indicate that I do this in view of the hon. gentleman's special position in the House. I think he is entitled to this, but if the supplementary refers to increases in veterans benefits I have some doubts about whether it is really a supplementary. Perhaps it is more a related question. I say this to protect the position of the Chair, generally speaking. The hon. member, of course, will be allowed his supplementary after which the Chair will recognize the hon. member for Saskatoon-Biggar.

Mr. Stanfield: Mr. Speaker, I do not wish to take advantage of my position or your generosity. My question is related to the position of those in need and arises out of the Prime Minister's statement yesterday. It was for that reason that I took the liberty of asking a supplementary relating to the position of war veterans.

In view of the ceiling that now exists on the maximum amount that war veterans can receive, and because this ceiling remains fixed, those who are now receiving the maximum will not derive any benefit from the proposed changes in the old age security or guaranteed income supplement position. Can the Prime Minister state whether the government intends to adjust the ceilings of the war veterans allowances so that the veterans can receive these advantages?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this question was discussed in cabinet and brought to us by the Minister for Veterans Affairs. The minister has the authorization of cabinet to bring forward some proposals and these would be made known in due course.

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GRAIN

EFFECT OF SUBSIDY ON DOMESTIC GRAIN ON WESTERN PRODUCER—NEGOTIATION OF LONG-TERM FLOOR PRICE

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, a supplementary question to the Minister in charge of the Wheat Board. In view of the fact that the August based price of wheat which he referred to is \$3.18, and that the subsidy of \$1.25 will bring that up to \$4.43 which is \$1.22 less than the present export price of the Canadian Wheat Board, does the minister now say to this House that the western farmer is going to subsidize the Canadian consumer to the extent of \$1.22 per bushel?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, what it means is that an agreement of a long term nature is being developed which incorporates a true and effective

[Mr. Lang.]

two-price system into our Canadian wheat selling system with a floor price in the area of \$3.25 as a long-term floor price. I remind the hon. member that the \$3.25 figure, which will be the long-term floor for wheat for domestic consumption, is higher than the price which has been paid for wheat in Canada at any time on our history except in the last few months.

Mr. Gleave: A supplementary question, Mr. Speaker. Since the Canadian Wheat Board Act makes no provision for such manipulation as has been proposed to this House, can the minister in charge of the Wheat Board tell this House with whom such arrangement is being negotiated?

Mr. Lang: The arrangement is being negotiated and discussed with the Canadian Wheat Board which of course, can enter into such arrangements easily, say, with a buyer from another country. I think it would be attracted to the proposition of entering into an arrangement for between five and seven years on the basis of a firm price ranging from \$3.25 to \$4.50. We are having discussions with the Canadian Wheat Board about the length of agreement which would be desirable. We put forward to them the possibility, for instance, of three, five or seven years as the term of the agreement. They seem to favour seven years.

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[Translation]

THE CANADIAN ECONOMY

METHOD OF APPLYING SUBSIDIES TO BREAD AND MILK

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a supplementary for the right hon. Prime Minister.

Yesterday, he announced a subsidy of 5 cents per quart of milk, and another on bread. Last night, I noticed that milk had already gone up by 3 cents a quart, going from 35 to 38 cents, and a loaf of bread from 37 to 43 cents. Now, will the government subsidies be granted on the basis of the prices before the Prime Minister's statement yesterday, or on that of the new consumer prices?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the minister in charge of the Wheat Board has just answered the question with regard to bread. In the case of milk, it will be the price of milk paid by consumers in the provinces whose governments will agree to stabilize or lower the price paid in fact by the consumer. The hon. member surely knows that whole milk falls within provincial jurisdiction; the federal government on its own, intends to pay a subsidy of 5 cents per quart sold to the consumer, in order to lower consumer prices and prevent them from going up, provided the provinces agree, through their dairy commissions, to keep prices from going up or even to roll back prices.

Mr. Caouette (Témiscamingue): Can the Prime Minister tell us when this agreement will be reached with the provinces, seeing the cost price of milk has already gone up by 3 cents a quart since his announcement yesterday?

Mr. Trudeau: Mr. Speaker, I believe that as early as yesterday the Minister of Agriculture was to contact his