

the producer. The program for Durum wheat is similar, except that the base price is \$5.75, with the treasury paying the difference between that and the maximum of \$7.50 per bushel. Again, if the price of wheat on the world market exceeds \$7.50 a bushel, the producer subsidizes the consumer for the excess.

I will say, Madam Speaker, that the bill is an improvement over the previous arrangement. Originally, the two-price system was an acreage payment and was paid no matter whether or not the farmer produced a bushel of wheat. He could have produced feed grains, forage crops—anything—but as long as he had acreage under cultivation he received an acreage payment. I recall speaking to a farmer who had retired and had rented his land in the fall to someone who had never farmed. The tenant applied for a permit book at the beginning of November and moved on to the farm. Under the two-price system he received an acreage payment in the spring of the year—before he had ever planted or produced a bushel of wheat. So I say, again, that this legislation is an improvement over the program we had in the past.

The situation with respect to special permit holders was also a mess. These were the people who had produced wheat for a number of years and then sold their farms but had grain on hand to dispose of. They could sell it by special permit. After waiting a year and a half, the two-price payment to these special permit holders was recently made. It was a real mess. Some 9,586 producers were entitled to payment, and the cheques to the special permit holders were mailed out just prior to July 8 this year. That made 9,586 people relatively happy. Whether the mailing date had some bearing on the election, I do not know; but it has been common practice over the years in Saskatchewan that prior to a federal election the farmers have received a payment of some kind—an acreage payment, a dry-out bonus, or something. That has been the history of the party on the opposite side of the House.

But what happened in this case? A week after the election, 7,529 recipients of those cheques received letters telling them that they had been overpaid, and demanding a refund. In some cases, up to 80 per cent was demanded. The minister claims the computer made a mistake, but it seems to me it was a deliberate Liberal mistake.

Madam Speaker, my party agrees with the principle of this bill, but it still requires improvement. The hon. member for Vegreville (Mr. Mazankowski), the hon. member for Red Deer (Mr. Towers), and several others, have suggested an amendment to index the initial and top price. I agree with this suggestion, and unless the minister brings in such an amendment in committee it is the intention of this party to do so.

I have two further comments with respect to the bill. In the interpretation section, a producer is described as a person actually engaged in the production of wheat. I feel this is unfair. There are many farmers in Saskatchewan of retirement age who have rented their farms and are dependent upon the rental income. It seems to me that the interpretation of "producer" should be widened to include the landlord as well as the tenant. I brought this matter to the attention of the minister this spring in connection with payments under the two-price system, and he looked at it with a certain amount of sympathy in committee. But

### *Wheat Payments*

I note this matter was not taken into consideration when the bill was drafted.

Another thing that concerns me is the method of payment under the two-price system. I had occasion to question the minister in charge of the Canadian Wheat Board, in the miscellaneous estimates committee on Wednesday, October 16. From this it was determined that payments will be made only to producers of No. 1 Canadian Red Spring wheat. Madam Speaker, there is not very much No. 1 Canadian Red Spring wheat produced in the province of Saskatchewan, or in any of the prairie provinces, for that matter. It is restricted to certain areas which vary from year to year.

This means that conceivably when the price of No. 1 wheat on the world market exceeds \$5 in the case of Canadian Red Spring wheat, or \$7.50 per bushel in the case of Durum wheat, it will be the restricted group of producers of that particular grain who will lose the difference, which presently is approximately \$1 per bushel. In other words, when the price goes to \$5, the subsidy to the consumer is not made by all grain producers in the prairies but only by those who produce No. 1 Canadian Red Spring wheat. On the other hand, if the price of wheat sinks to \$3.25 a bushel or below, the price to the producer will be guaranteed, at \$3.25 per bushel.

● (1610)

Does the minister not realize that when world prices are above the limits set in the bill these producers will be subsidizing the consumer, and when world prices are below the limits many farmers will not benefit from the guaranteed price of \$3.25 a bushel? Wheat is produced in different areas from time to time. Production of milling wheat varies with climatic conditions. Some grain farmers may retire or go into other types of farming, such as livestock production, and will not benefit. This question should be looked into, as there may be some unfairness with regard to the manner in which payments are made under the system.

To sum up, we began with acreage payments under a two-price system, under which money was paid to farmers no matter what they produced. The pendulum has swung and we are adopting a new two-price system. Money passed in the 1974-75 estimates will go into the Canadian Wheat Board pool and be spread evenly among all producers of wheat. The pendulum has swung again and payment of a subsidy is to be restricted to producers of No. 1 Canadian Red Spring wheat. I will not belabour the point. We must have full discussion in committee on this bill. I hope the minister in charge of the Wheat Board will consider my comments and the comments of my colleagues and will, in committee, bring forward amendments which will make this bill beneficial and operative.

**Mr. Ralph E. Goodale (Assiniboia):** Mr. Speaker, my constituency in western Canada relies heavily on the grain farmer and on the wheat farmer in particular. The legislation before us is especially significant for those of us who represent areas like mine. That is why I am pleased to have the opportunity to participate in this debate. I am also pleased because of the nature of this legislation. The present debate is most important and we