

*Wheat Payments*

agriculture? Why is it that the farmer who takes financial risks on his investment, who gambles with weather, who gambles with pests and insects, and who gambles with fluctuating markets, is not given some kind of guarantee that would be equal to the one given to an unskilled worker who simply unloads ships? Why are producers not given cost of living adjustments, as were the grain handlers who were working next to the longshoremen? If we are to give parity to those who unload grain, then let us lock in some kind of guarantee for those who assume all the responsibility for the production of grain.

So although in principle I agree with the notion of a two-price grain system, I will summarize by saying, first of all, that this is not a two-price system for wheat because it does not affect all the wheat that will be used in this country. Second, it is not really a valid two-price system because it bears no relation to the cost of production. Also, it is an insult to the agricultural industry because the bill does not provide a guarantee to pay a proper interest rate from the moment at which the farmer has loaned his money. So on those points I suggest that, while we can certainly accept the notion of a two-price wheat system, it needs the characteristics that I have outlined before this legislation can become acceptable not only to ourselves but to the farmers; the producers of cereal grains, which are so badly needed in a hungry world.

**Mr. Doug Neil (Moose Jaw):** Madam Speaker, as a member representing a large wheat producing area in Saskatchewan, I am pleased to participate in this debate. Farming is one of the most important industries in our country and it is becoming more and more important because of the demand for food in the world today. We have an increasing world population, and we have famine around the world. I read in an editorial of today's issue of the *Globe and Mail* that in Bangladesh between 70,000 and 80,000 deaths from hunger are already reported in the Rangpur district. The report goes on to say that the most conservative estimates by foreign diplomats foresee at least one million deaths from famine as an aftermath of this year's floods. The United Nations Food and Agriculture Organization considers 32 countries, with a total population of 700 million, threatened by starvation this year. This is why food production is important.

We have reduced production on the prairies this year. In the spring we were faced with flooding, which resulted in late seeding. During the summer we had an extremely dry season, and we had an infestation of grasshoppers which we were unable to control with the chemicals available to farmers. It appears that we may have a severe infestation of grasshoppers next year, which again will curtail production. We had a wet fall, and a very early frost, which resulted in low yields and very low grades. So it is very important that we develop our agricultural industry.

It was indicated in the Speech from the Throne that a number of bills relating to agriculture would be presented before this session is over. The bill with which we are dealing today, Bill C-19, is one such bill. Reports that have come in from Edmonton from the Canada Grains Council meeting on Monday indicate that perhaps legislation dealing with the reduction of the Crowsnest pass freight rates will be coming before us very shortly. It would appear that the minister in charge of the Canadian Wheat Board

[Mr. Malone.]

wishes to do away with this concession to the western grain producers. I gather from newspaper reports that he suggests that the Crowsnest pass freight rates are unfair to the railways. When I read the report, I wondered whether the minister had studied the history of the Crowsnest pass freight rates. Originally the rates were not a concession to the prairie farmers; they arose as the result of an agreement or contract between the government of Canada and CPR.

**Mr. Lang:** Madam Speaker, may I rise on a point of order? I am sure that in due course we will all want to have a discussion on the very important matter of the Crowsnest pass freight rates and the benefits which they provide to the prairie provinces; but it does not seem to me that this subject has any relationship to the bill before us. I wonder if the hon. member would assist us in getting this bill through to committee, so that we can help prairie producers in this way. Then we could get on to the next bill as soon as possible.

**Some hon. Members:** Hear, hear!

**Mr. Neil:** Madam Speaker, there are mills on the west coast as well as in the east, and the Crowsnest pass freight rates have to do with mills on the west coast. Therefore, I feel they have a certain bearing on the bill in question. But I will be very brief in my comments regarding them, and then I will go on to the bill.

● (1600)

I should like to point out that the contract between the government of Canada and the Canadian Pacific Railway gave to the railway, among other things, a monopoly on rail traffic in Alberta south of the city of Calgary. It approved the purchase by the Canadian Pacific Railway of the B.C. Southern Railway and the Columbia Western system, including 270,000 acres of land and a smelter at Trail, B.C., at a cost of \$800,000. By grants, options and other means, the CPR acquired some 3,350,000 acres of land with mineral rights, and six square miles of valuable coal land near the Crowsnest pass. As far as the Crowsnest pass freight rates are concerned, they are not a concession to the western farmer; they were a contract entered into between the government of Canada and the Canadian Pacific Railway.

Lest I be accused of digressing, as I already have been, Madam Speaker, I will move back to discussion of Bill C-19. What is the effect of this legislation? The bill deals with both Canada Red Spring wheat and Durum wheat used for domestic consumption. Under the bill, the millers of Canada pay \$3.25 per bushel for No. 1 Canada Red Spring wheat of 13.5 per cent protein, basis Thunder Bay. If the world price exceeds \$3.25 per bushel, then the treasury—by that I mean the government of Canada, with the taxpayers' money—pays the difference between the \$3.25 and the \$5. If the world price exceeds \$5 a bushel, as it has and as it is likely to remain for the foreseeable future, then the producer subsidizes the consumer for the excess.

In other words, if the world wheat price is in the neighbourhood of \$6 a bushel, as it is today, the producer is subsidizing the consumer of Canada by approximately \$1 per bushel, and as the price goes up so does the subsidy by