

Adjournment Debate

point out that never in a federal institution has an inmate committed suicide that way. We hope that the report of the inspector general will reveal how the inmates were able to obtain the cyanide, and we would be well advised to await his findings before deciding what measures should be taken to prevent such incidents.

• (2210)

[English]

CANADIAN WHEAT BOARD—QUERY RESPECTING APPLICATION OF SIX PER CENT RULE TO TWO-PRICE SYSTEM. (B)
ANNOUNCEMENT IN SENATE

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I take part tonight in the adjournment debate as a consequence of a question I asked on July 21, 1982, of the Minister of Transport (Mr. Pepin) in his responsibility for the Canadian Wheat Board. It had to do with the government's proposed 6 per cent and 5 per cent guidelines. Having regard to the two-price system for domestic grain I asked whether the 6 per cent applies this coming year and the 5 per cent the following year to the increases that would be needed to assist the producers of grain in Canada to meet some of their costs. The minister told me at that time that he was unable to answer the question.

I went on to ask if the minister's assistant in the Senate had been mistaken when he told Senator Roblin that the 6 per cent rule would apply because the mechanism was already in place and that the rule should be continued.

The need for an increase in the price for domestic grain in Canada is very evident. When the two-price system for domestic grain started two years ago, the price was established at a floor of \$5 and a maximum of \$7 a bushel for No. 1 Canadian Red Spring wheat. In the last two years we have had an increase in the cost of input of between 23 per cent and 25 per cent. That increase will bring the floor price to \$6.25 a bushel and the maximum price will go to \$8.50 from \$7.50 a bushel. These increases are less than adequate to meet the projected 35 per cent plus decrease in income for agriculture in the province of Saskatchewan, which produces about 50 per cent of the cereal grains grown in Canada.

I asked my question because the two-price system expires on July 31, 1982, two days from this evening. On at least three occasions the minister has been asked whether the price will be increased, whether it will remain the same and what are his intentions. On each occasion the minister has replied that he was unable to answer the question. I think it is incumbent upon the minister and the government to make known to the producers of grain in western Canada, the area where the two-price system applies, and what the government's intentions are for the next two years.

The two-price wheat system which was implemented back in 1975 has undergone many changes. Every time there has been a change there has been an increase, because the cost of production has been recognized. The increase in 1979 was made in the middle of the crop year. That increase was made by the hon. member for Vegreville (Mr. Mazankowski) in his responsibility for the Canadian Wheat Board. It was granted

because the cost of production was recognized and the producers were to receive the benefit of a domestic price for wheat.

I hope the parliamentary secretary who answers this evening will be able to announce what the domestic price will be in the coming crop year under the two-price system. Unless the announcement has been held off to give the domestic millers and the consumers of domestic grains in Canada an opportunity to stockpile the grain, to the detriment of the producers, I cannot understand why the announcement cannot be made tonight. If they are being given the opportunity to stockpile, I think it is wrong. It is against the interests of the producers of grain, and it is against the best interests of this government. I hope the parliamentary secretary will be able to make an announcement tonight that the two-price wheat system will be increased from the present floor of \$5 to a floor of approximately \$6.20, and that the ceiling will be raised to approximately \$8.50 as required by the cost of inputs necessary to produce grain.

• (2215)

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I would like to take this opportunity in answering the hon. member for Kindersley-Lloydminster (Mr. McKnight) to describe the two-price wheat system, in order to explain the context within which the government is assessing the application of its administered prices policy on the price of domestic wheat.

Since December 1978, wheat sold for human consumption in Canada has been priced within minimum and maximum limits set by regulation. Since August 1980, these price limits have been, as the hon. member already mentioned tonight, between \$5 and \$7 per bushel for No. 1 Canadian Red Spring wheat. But he did not point out that for Durum the same minimum applies but there is no maximum. I was wondering what prices he would give for Durum at the minimum and maximum. The actual price within these limits is set by the Canadian Wheat Board on the basis of prevailing export prices.

The rationale underlying this mechanism is to provide protection for both producers and consumers from wide price fluctuations. I would contend that the system is serving its purpose adequately.

When the current limits were set in August 1980, the minister in charge of the Canadian Wheat Board undertook to review them in two years. Consequently, as the hon. member noted, they are now under review but do not, as he said, expire on July 31, 1982. They continue until replaced by new limits. I would like to make that correction. It can be seen that the manner in which the administered prices guidelines would apply is not immediately obvious. The minister in charge of the Wheat Board offered some thoughtful comments in the other place on July 7. Perhaps the hon. member would like to indicate how he would propose to deal with this question. He dealt with suggested prices, but not of various kinds of wheat.