

brief. I begin by saying that my colleagues and I support the legislation in principle and, indeed, with some degree of self-satisfaction since it embodies an idea which was put forward by my party in the mid-thirties, as it relates to a minimum price, and since the early fifties as it relates to the two-price system. Thus, we feel some satisfaction that even after so many years the government should have come around to our view.

I recall that famous Liberal rally which was held in 1965 in the skating rink at Humboldt, attended by the prime minister of the day, Mr. Pearson, and an unlamented former member of the CCF, presently in the other place. The promise was made, then, of a two-price system and of a base price related to the cost of production. But nothing happened until two years ago when the industry was faced with a somewhat unusual situation and, incidentally, the government party was in a minority position in parliament. Anyway, the principle has at last been accepted, and even though the bill we are considering may be considered inadequate by some of us, a beginning has been made.

I recall the discussion which went on during consideration of the first grain stabilization bill the minister in charge of the Wheat Board brought down. This was one of the conditions we put forward for supporting that measure—a guaranteed price and a two-price system. At that time, the minister turned us down, but today he has come at least some distance toward accepting the point of view we then put forward.

Perhaps I could make one or two suggestions which in my view would make the legislation better and enable the minister to provide wheat growers with greater security. First, I would direct this question to the hon. gentleman: why just wheat? The minister has now come around to believing it is logical to give growers a fair price and a two-price system for bread wheat and Durum which is consumed in Canada by human beings. Surely it would be logical to extend this to other grains—oats, barley, rye, flax, rapeseed, sunflower seed, etc. The principle should be extended. I hope the minister, and his colleague the Minister of Agriculture (Mr. Whelan), will persuade their cabinet colleagues that this is a logical extension. There is good reason for doing so now, while we are at it.

Since Canadians consume only a relatively small percentage of those commodities I have mentioned, it would not involve massive expenditures, though it would afford a modicum of protection by way of guaranteed floor prices for those who produce these commodities. I hope the minister will bring in an amendment to this effect at the committee stage. If this is too much to hope, I trust he will at least discuss the matter with his colleagues and seek to have the legislation extended to cover other grains.

Then there is the other point, which is the desirability of providing an escalator clause or method of indexing the floor price in order to take into account increasing costs of production. It seems to me that if Statistics Canada, the farm organizations or the minister's own research people, establish that there had been an increase of 3, 4 or 5 per cent in cost of production in a given year, it is only fair that an increase of this nature should be reflected in the floor price. I hope the minister will consider bringing in an amendment of his own so as to incorporate an indexing clause of that kind in the legislation. This would at least

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see us through for six years, and when the legislation comes close to terminating we can always wrestle over it again. It is not a matter of setting a precedent. It would merely be an extension into the field of agriculture of a principle—a good one in my opinion—which has already been adopted in other areas.

I was disappointed that the minister was not more explicit in his introductory remarks. I wish he had included figures to show people in urban Canada, particularly in the east, how much these various agricultural programs are costing. Since he did not, I should like to put on record some examples of what is involved. For example, if the world price for wheat is, say, \$5, then the farmer receives \$5 from the Wheat Board, the miller pays \$3.25 and the federal treasury pays the other \$1.75. The public should know, Madam Speaker, that if the board's asking price is \$5 and the world price, as was the case last Friday, is \$6.04% a bushel for 1 CW, 13½ per cent protein wheat, this means that the farmer is subsidizing Canadian consumers to the tune of \$1.04% a bushel. I have not found a single farmer, either in my constituency or elsewhere in western Canada, who is complaining about that at all. But I hope the rest of the people of Canada realize that were the situation left to the whim of the so-called open market, to world demand and so forth, it would cost them more for bread wheat than is the case under this legislation. This is something of a sacrifice that the wheat producers of the three prairie provinces are making and, as I say, I hope the people of Canada understand and appreciate that fact.

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Let me take a further example. If the board's asking price for hard wheat is \$4, and the same grain is sold in Canada for human consumption, then the farmer receives \$4, the millers pay \$3.25, but the government pays only 75 cents instead of \$1.75, which means a reduction in cost to the Canadian taxpayer. A third example: the world price drops to \$2.50; the farmers still receive \$3.25, the millers pay \$3.25 and the cost to the government of Canada is nothing. Only in that instance would the guaranteed floor price have any meaning or effect; it applies only when the world price drops below \$3.25 a bushel.

Similarly with Durum wheat. Again, the farmer receives \$7.50 a bushel for 1 CW Durum, basis Thunder Bay, the miller pays \$5.75 and the government pays the other \$1.75. The world price last Friday was \$7.61%—not a large amount, but nevertheless 11½ cents per bushel that the Canadian farmer was giving up for the benefit of the consumers of Canada. I hope this is also made known to the Canadian public so it can be appreciated. The Durum wheat producers in western Canada are not complaining about this sacrifice either. If the world price goes to \$6.75, the farmer receives \$6.75, the miller pays \$5.75 and the government payment drops from \$1.75 to \$1. So there is a provision reducing the cost to the federal treasury. If the world price were \$5, then the farmers would get \$5, the millers would pay \$5 and the cost to the federal treasury would be nil.

Now we come to the crunch, Madam Speaker, and it is a point about which I want to argue with the minister in charge of the Wheat Board. If at any time between now and the end of July, 1980, a six-year period, the world price of 1 CW Durum, basis Thunder Bay, drops to \$2.50, for