

er and advise him to make an early announcement on this matter.

Senator Argue: I am not sure whether the honourable senator is talking about this year or another year, but to forecast the prevailing prices of the new crop year, one would have had to make a judgment in January. I have said, and I repeat, that while there are experts and there are experts, I really do not know of any expert who would be able to say with any degree of certainty in January what will be the prevailing wheat price and, therefore, what the initial price should be in relation to those prevailing prices for the next 18 months.

I believe that the wheat prices thus far in 1981 underline my very statement. If I remember correctly, in early January the price was approximately \$270 per tonne for wheat. While I have not checked today's prices, the price for No. 1 CW, 13.5 per cent protein, is around \$235 to \$240 per tonne. These factors and the fact that there has been a very major drop in wheat prices since the beginning of this year should be taken into account.

I do not believe that the farmers should have to depend on a politician in Ottawa to forecast what wheat prices are likely to be. All I can say is that I hope that the Canadian Wheat Board will be able to recommend prices that are a fairly high percentage of the prices that currently prevail.

Senator Roblin: My honourable friend seems to have no difficulty in recommending what volume should be sowed, and he is quite able to make a prediction about the market with respect to quantity. I think he is in a far better position than the farmers to make a prediction with respect to prices. I repeat to him that while it may be too late to make a forecast for this year, because the seeding is almost completed, I hope that he will consider doing so next year.

Senator Argue: I will be happy to consider the matter, but I believe that I have taken the right course. Of course, no one can predict the weather. Weather conditions have been generally good of late, and when weather conditions are good the Soviet Union and the United States, the two largest wheat-producing countries in the world, forecast very large crops, and that affects the market. That forecast is probably the main factor which is acting to reduce current international prices for wheat. However, the volumes are there, the sales volumes appear to be assured. I believe that long-term demand is likely to exceed long-term supply. Currently, there are prospects across the world for a much improved grain crop this year.

● (1435)

Senator Roblin: As a last effort to try to persuade my friend to take a more relaxed view of this, may I remind him that he is the one who is recommending that acreage be increased in Canada today, so he, surely, has to have price in mind.

He is the minister of the crown—the only one I am aware of at the moment—who supported the effort of the Canadian Wheat Board and others recently to have a pricing system put in place which would encourage volume. If my honourable friend wants supply and co-operation from the western farmers, price is of the essence. I appreciate that he cannot create

[Senator Roblin.]

the price, since it is created by market forces throughout the world, but I think he could assist the agricultural industry by giving as early a forecast as he possibly can concerning the initial price that is recommended to him. I believe he should take into account that an early initial price recommendation has been made for years.

Senator Argue: The Canadian Wheat Board fully supports the course I have taken and believes it is a wise one.

Senator Roblin: It had better.

Senator Argue: The Canadian Wheat Board can at times be very independent of the minister. However, this was and is their considered point of view.

Senator Roblin: You are the minister.

Senator Argue: Some farm organizations did not agree with the course I took, while other farm organizations, such as the Alberta Wheat Pool, were very supportive of the course I took.

The markets are tremendous; the price today is about \$235 a tonne, which is generally quite good and which might result in a net return to the farmers of \$5.50 a bushel, or better, if it continues throughout the course of the year.

The normal, accepted rule—I believe it is normal and accepted—is that the initial price should bear a reasonable relationship to the likely final price or to the likely current price, and this would be in the neighbourhood of 70 per cent. I would hope that the initial price I will be announcing before the opening of the crop year will be in tune with those principles.

EMBARGO ON SALES TO U.S.S.R.—LOSS TO FARMERS

Hon. Stanley Haidasz: Honourable senators, since we are on the subject of wheat, would the Minister of State for the Canadian Wheat Board inform this chamber of the estimated loss to Canadian grain producers as a result of Canada's support of the U.S.-led grain embargo against the U.S.S.R. following the invasion of Afghanistan?

Hon. Hazen Argue (Minister of State for the Canadian Wheat Board): Honourable senators, I am not in a position to make a response to my honourable friend's question that would be of particular help. I am optimistic.

Hon. Jacques Flynn (Leader of the Opposition): What do you mean by "optimistic"?

Senator Argue: I am optimistic that in due course an announcement will be made in keeping with commitments made. At that time I am sure the details will form a response to my honourable friend's question.

Senator Flynn: Are you optimistic that you will make a payment to the farmers?

Senator Argue: I have been optimistic all along.

Senator Flynn: You just recited a statement indicating that everything is going well as a result of demand. Do you think you can prove that the farmers have lost due to the embargo?

Senator Argue: I am not offering any proof.