

the minister in connection with the embargo, and that is, his interpretation of the actions of the United States wheat-selling people in the Chinese market. I know that the head of the Wheat Board in Australia has made a statement that he believes he was assured by the Americans, when they went into this thing in the first place, that they would not use their surpluses thrown up by the Russian embargo to trespass on the customary markets of other people. That is the point that I would like to get the government's policy on. Do they feel that the American government has, in fact, breached its undertaking in respect of sales to China?

Senator Argue: I think it was an understanding that the former administration had, and that I believe this administration has also, with the United States authorities, to the effect that our co-operation with them with regard to the partial embargo against the Soviet Union had associated with it a clear understanding that the Americans would not be unduly aggressive in other markets, so as to replace Canada, shall we say, or other exporting nations, in some third market, when we were going along with the partial embargo against the Russian market. I think that stands to reason. I think that that is a reasonable way for reasonable people to operate. I believe that I can say that the Canadian authorities, and the Canadian Wheat Board, feel that that understanding was not fully adhered to, and the recent sale that has just been made—or the recent agreement that has recently been drawn up—with China is based on two particular provisions.

First, the Americans say it is their understanding from this agreement that if the Chinese need more than 9 million tons in a given year they will get the additional quantity from the United States. Then, if they require less than 6 million tons, which is the floor in the China-U.S. agreement, they will distribute that reduction among all of the exporters. My opinion, therefore, is that that is really a very aggressive attitude which is not in keeping with the spirit of the understanding that was arrived at—this was under the former administration—at the time of the partial embargo.

Senator Roblin: Honourable senators, I cannot speak for the former administration that my honourable friend is so fond of referring to; I can only speak about this one. But I ask my honourable friend whether, in view of his statement, he has given any consideration to making representations to the United States government on this point. Indeed, has he made representations?

Senator Argue: Not in the formal sense, for example, of sending the minister a note, but my officials have been in touch with the officials in the United States, and the representations that I have made in a public way, and perhaps that I am making here today, are being brought to their attention on a continuous basis.

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

Hon. Martha P. Bielish: Honourable senators, I have a question with regard to grain and grain payments, and it is

directed to the Minister of State for the Canadian Wheat Board.

It seems to be the policy of the government that farmers will be compensated for the fact that Canada honoured the U.S. boycott of grain sales to the U.S.S.R. The matter of timing of those payments seems, however, to be in some doubt. The Minister of Agriculture said that a cabinet decision can be expected by the end of November, whereas the minister responsible for the Canadian Wheat Board has suggested that a final decision on compensation may not be taken until December or early January. I beg to know which minister is articulating government policy in this matter.

Hon. Hazen Argue (Minister of State for the Canadian Wheat Board): Honourable senators, I think that that question should have been addressed to the Minister of State for Economic Development, because he would, I am sure, be in a much better position than I am—and much less biased—to answer the question about timing, but I will go on to give you my more up-to-date version, at any rate.

I am in favour of what the Honourable Eugene Whelan said. That is what I want to see happen. I have not been in the cabinet very long, and I am a little bit sceptical, even after having been in it a few months, as to the speed at which these things get done. I have less faith in that speed than the Minister of Agriculture, but I hope he is right, and I will be happy to bow to his superior understanding of the process and how it works.

The main thing I am concerned about is that this question will be dealt with, and that on the basis of all of the best possible information that is available, and that can be made available, a realistic adjustment or payment will be made.

Senator Bielish: There seems also to be some doubt as to how much the government will be offering in compensation payments. The minister responsible for the Wheat Board said that studies by the government have not yet been completed, and then he went on to suggest that the amount might be about \$67 million. That amount of \$67 million is identical to the sum forecast by the agricultural economics division of the University of Saskatchewan. Would the minister indicate how it is that he can project compensation in the amount of \$67 million, yet on the other hand concede that, in the absence of completed government studies, a real projection cannot be offered?

Senator Argue: Honourable senators, a lot of work has been done on this, and there are some preliminary estimates of what the final result of this study may be. I am just trying to be fair. Those are the facts. No figure has finally been arrived at—at least, to the best of my knowledge—and I participated in discussion about this as recently as yesterday. It does seem clear, however, that from all the information that has been brought to my attention, it would be somewhat in the range of the final product of the study undertaken by the University of Saskatchewan. Certainly it appears that it would not be lower, and may possibly be higher. Perhaps I just talk too much, but anyway, what I have said is accurate.