

Horner. However, the authority is continuing. The Deputy Grains Transport Co-ordinator, Mr. Radky, is doing all of the things that Dr. Horner did. The word I get from the producers' organizations is that, while he has a much lower profile, his accomplishments are most satisfactory, and he is satisfying the various elements of the trade and the producers in the work that he is doing.

● (1435)

#### CANADIAN WHEAT BOARD—SETTING OF INITIAL PRICE

**Hon. D. G. Stuart:** Honourable senators, I should like to direct a question to the Minister of State for the Canadian Wheat Board. I have received some representation from western farmers in the face of the continuing rise of costs, and would ask whether any favourable consideration will be given to an increase in the initial price as soon as possible.

**Hon. Hazen Argue (Minister of State for the Canadian Wheat Board):** Honourable senators, that question is frequently raised, and was raised recently in the other place. I have received telexes, and so on, from ministers of agriculture in western Canada.

I have taken the position that it would be a mistake to make an immediate increase in the initial payment right now, for probably two reasons: First, that the Wheat Board's receipt of income from a given posting of a price for a given date often takes from three to six months, in the normal course of doing business. Therefore, it would not be right to try to chase up the world price, at least to the extent of asking the Canadian Wheat Board to borrow the money to make the payment, because the farmers would be bearing that cost themselves. I believe that the producers would be the first to object, and would object rather strenuously, if the payment were made by the end of the calendar year, because it would mean that most of them would be taxed on that payment, and they would like to have greater control over their incomes.

In reply to the honourable senator, the Canadian Wheat Board's system is based on orderly marketing principles, and I believe that one of the improvements that can be made is to implement a more orderly system of payments to producers.

Our experience this calendar year has been one of a softening market early in the year, followed by a strengthening one. This spring, when the tentative initial payments for wheat, oats and barley were announced, the prevailing conditions suggested that certain levels were best, but by July the Canadian Wheat Board was able to recommend changes, so that the 1980-81 initial payments for wheat and barley were set higher.

The further strengthening of the world market has led some producers and others to seek a yet higher level. The Canadian Wheat Board is now, of course, making sales at the current market prices, but its sales program is not complete.

As I have suggested, I believe that a more orderly system of payments to producers should be added to our orderly marketing system. By that I mean that a specific pattern of giving consideration, first, to the initial payment for the coming crop

[Senator Argue.]

year, and then to a possible adjustment, should be established. Orderly marketing, to me, means just that—a realistic initial price and a meaningful final payment in January, followed by the increased initial price in February or March when that can be provided. It would come at a time when farmers' costs are very high before seeding. They need to buy fuel; often they need to buy registered seed; they have repair bills to meet, and so on. Therefore that would be a very appropriate time.

On setting the initial payment, I believe that late June or early July is the most appropriate time, and that would be a change in policy. The Canadian Wheat Board is then in a far better position to assess the market situation and to make a recommendation to the Government of Canada that will, in most years, reflect at least the next six months of marketing.

I would add that from time to time changes in the initial payments are also warranted by the market situation and to encourage producer deliveries. The initial payments for oats are being considered at this time—this is important to the western producers—and I expect to make an announcement at an early date about an increase in the initial price for oats.

Under the system that I have outlined for the timing of the consideration and setting of initial payments, and adjustments thereto, I am confident that grain producers will receive an orderly flow of income.

**Hon. Duff Roblin (Deputy Leader of the Opposition):** Honourable senators, I would encourage the minister in his policy. If he can produce a system that more flexibly reflects the movement of markets and the costs to farmers, that would be a good thing. I am glad to see that he is taking that under advisement.

● (1440)

#### SALES TO U.S.S.R.

**Hon. Duff Roblin (Deputy Leader of the Opposition):** Honourable senators, I should like to ask the minister to clarify for me his statement about the shipment, or sale, of wheat to the U.S.S.R. I want to be careful about this, because I do not want to misunderstand, or put words in the minister's mouth, but what I thought I heard him say today was that there was going to be no fixed limit on sales to Russia, and that Canadian farmers should retain their usual access to the Russian markets. I interpret that to mean that to all intents and purposes the embargo is off. If that is incorrect, I wish the honourable the minister would put me right.

**Hon. Hazen Argue (Minister of State for the Canadian Wheat Board):** Honourable senators, I am not going to interpret the honourable senator's interpretation of what I said. I just have to revert to the principles of what I said, namely, that we are prepared to sell into that market at normal, traditional levels, and for this year we have not agreed to any fixed ceiling.

**Senator Roblin:** I thank my honourable friend. It is a little clearer. I interpret that to mean that if we have an embargo it is a pretty dicey one indeed. I am interested in the point, because I know, or I think I know, what has been concerning