

by other wheat-exporting nations around the world, having regard to quality. The test of Wheat Board pricing is the continuity and volume of Canadian export wheat sales. Any significant changes in the pattern of world trade in wheat indicate the need for reappraisal of pricing policy.

Within a narrow range of prices, the Board can and in fact does vary prices. For example, the Wheat Board may raise or lower the offering price of wheat from a given port, if it is desirable, from the standpoint of meeting the objective of the orderly marketing of wheat to influence the volume of its sales from that port as compared to other Canadian ports. The Wheat Board also varies the prices between grades of wheat to encourage sales of one grade in relationship to sales of another. But the Canadian Wheat Board alone cannot determine the general level of world wheat prices.

**Producer's Payments.**—The producer receives payment for his wheat, oats and barley in two or three stages. An initial payment price is established early in the crop year by Order in Council. The initial payment price less the cost of handling grain at the local elevator and the transportation costs to the Lakehead or Vancouver is the initial price received by the producer. This price is a guaranteed floor price in that if the Wheat Board, in selling the grain, does not realize this price and the necessary marketing costs, the deficit is borne by the Federal Treasury. However, with very few exceptions, the Wheat Board has operated without financial aid from the Federal Treasury.

After the end of the crop year, but prior to the final payment being made, if the Wheat Board can confidently foresee a surplus accumulating and if authorized by Order in Council, an interim payment is made to producers. This interim payment is the same amount per bushel to all producers of the same grade of grain. When the Board has sold all the grain or otherwise disposed of it in accordance with the Canadian Wheat Board Act, the Board, if authorized by Order in Council, makes a final payment to producers. The payment procedure can then be summarized as follows: (1) the producer receives an initial "floor" price for his grain; (2) the producer receives an interim payment if marketing conditions warrant it; (3) the producer receives a final payment representing his share of any surplus accruing as a result of the sale of the grain; and (4) all producers receive the same price for the same grades of grain, after allowances for transportation costs.

**Comparison with Fixed Government Pricing.**—The Canadian system of marketing grain differs from systems operative in some countries in the world where the government guarantees a price higher than the export price to the farmer and the national treasury makes up the difference between the export price and the guaranteed price. Western Canadian producers receive the price for their grain that the Wheat Board receives, less its operating costs including carrying charge. The only subsidy received by the farmer in the wheat marketing system is the part payment of storage costs for wheat made by the Government of Canada. Under provisions of the Temporary Wheat Reserves Act, the Minister of Finance, out of the Consolidated Revenue Fund, pays to the Wheat Board the storage costs on wheat in storage at the end of the crop year in excess of 178,000,000 bu.

**Changing Functions of the Canadian Wheat Board.**—The primary function of the Wheat Board today is still the orderly marketing of western Canadian grain, but because of its unique place in the marketing system it is called on increasingly to perform additional functions. For example, in the administration of the Prairie Grain Advance Payments Act (see p. 445), a key factor is the permit book issued by the Wheat Board. The Government has therefore called on the Wheat Board in the administration of this Act. The Wheat Board is also frequently called on to act as adviser to the Government of Canada in meetings of the International Wheat Council and other meetings dealing with current international developments affecting wheat.