

Wheat Acreage Reduction Act

That it is expedient to amend the Wheat Acreage Reduction Act, 1942, by clarifying in certain respects the basis of payment in respect to wheat acreage reduction in the year 1942 and to provide that payments may be made in respect of wheat acreage reduction in the year 1943.

Motion agreed to and the house went into committee, Mr. Bradette in the chair.

Mr. GRAYDON: Mr. Chairman, I have no doubt the Minister of Agriculture has a comprehensive statement to make on this resolution. Perhaps it would be more appropriate to have that statement now, if the minister is prepared to make it.

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Chairman, hon. members will recall that in 1941 a policy was introduced to the house through which the government was empowered to pass orders in council for the purpose of encouraging reduction in wheat acreage in the three western provinces, and part of British Columbia. The objective at that time was to reduce wheat acreage and to substitute for it summer-fallowed land, or lands which would be seeded to feed grains or grass. In that year the policy resulted in a very considerable acreage being taken out of wheat and put into other grains. I am not in a position to state exactly what that acreage was.

The department paid through the prairie farm assistance organization in western Canada an amount calculated upon a reduction of more than 10,000,000 acres. That acreage was arrived at by an adjustment or averaging of the crops of 1939 and 1940; therefore it did not constitute a reduction from the actual acreage of 1940 to whatever acreage was seeded in 1941. A total of \$34,557,200 was paid out on account of the year 1941. Payments have been made partly in 1942, and probably some early in 1943. I can give the exact figures of payments up to date if hon. members desire them, but I think it would be better to give them later, when questions are asked.

In 1942 we passed a bill to replace the regulations of 1941. The reason for following up the policy in 1942 was to emphasize the seeding of feed grains and grass to a greater extent than was done in the regulations and the statements made in 1941. Rather than placing the emphasis upon the further reduction of wheat acreage, we placed the emphasis upon the necessity of producing feed grains and oil producing plants, because animal fats and vegetable oils would be required in greater volume owing to the advances of the Japanese during the preceding winter. The result was that we had a further reduction in wheat

[Mr. Gardiner.]

acreage of something over a million acres, and we did grow a considerable crop of coarse grains and some crop of oil producing seeds during that year, as the announcement just made by the Minister of Trade and Commerce emphasized.

When passing the bill last year we retained the wording of the regulations of 1941 in relation to certain matters, more particularly in relation to rye; at the same time we took the word "rye" out of the definition of coarse grains in the act of 1942, whereas it had been contained in the definitions of 1941. The net result was that when we began to make payments on rye we found we had no authority under the bill to make payments on that part of the rye which was seeded in 1941. Hon. members who are familiar with the growing of rye in western Canada, and those who are familiar with the growing of fall wheat in eastern Canada, will realize what I mean when I say that any acreage taken out of wheat in 1942 as a result of sowing rye was taken out because the rye had been sown in the fall of 1941 to produce a crop in 1942. The act as it was passed last year made it doubtful whether payment should be made on rye other than that which had been sown in 1942. Therefore those payments have been withheld until the act could be amended. This bill is to amend the act in order to make possible payments on rye which was seeded in 1941 and payments on grass which was seeded prior to 1942. These provisions are contained in section 3.

That is the only change made in relation to the payments in 1942, other than defining clearly the means by which the second payment in 1943 is determined and to make clear the methods of computation as to whether the land is still in grass or rye. It will be recalled by hon. members that under the regulations and under the act of 1942 we arranged for a payment of \$4 per acre provided the land taken out of wheat was put into rye or into grass. On coarse grains the payment was \$2 per acre. Last year the payment on summer-fallow was \$2 per acre, whereas the year before it had been \$4. What I want to emphasize at the moment is that both the regulations and the act of 1942 provided that the \$4 per acre was to be paid for grass and for rye provided that those crops replaced acreage which had previously been seeded to wheat.

The government and the house, in an attempt to safeguard the payments which were made, divided the payment in two, \$2 to be paid after July 1, 1942, and \$2 to be paid after July 1, 1943. The reason for this is obvious. Rye sown in the fall of 1942 will not