

been done away with. The very first sentence in paragraph 1 of that statement of policy was:

Effective tomorrow, March 18, the system of advance equalization payments will be discontinued . . .

The advance equalization payments were 10 cents on oats and 15 cents on barley, and they were made for a certain reason, to accomplish a certain purpose. Back in 1942 the grain growing provinces of Canada, the provinces that grow the surpluses which are distributed to the other provinces to be fed—the provinces of Saskatchewan and Alberta—had the lowest gross cash returns to agriculture on an index basis, taking 1926-29 as 100, of any of the provinces. Saskatchewan, for example, had an index figure of 81 whereas all the provinces other than the prairie provinces had index figures running from 135 to 180, if I remember correctly. So in 1943 it was decided to give equalization payments to the farmers who grew the grain. Ten cents was the equalization payment on oats and 15 cents on barley. The very first statement in the announcement made on March 17 was that these equalization payments would no longer be made. I know that in press reports which have appeared here and there across Canada the phrase "feeder subsidy" has appeared continually. There has been no feeder subsidy paid on oats and barley in Canada at any time from 1943 down to March 18, 1947. There have been equalization payments to the grain growers of the western provinces, and on March 17 we announced that those equalization payments would be no longer made. Further we announced that we wanted more barley, and that in order to get it we were not going to pay a producer subsidy but were going to increase the return to the producer. So we raised the floor price from 56 cents a bushel for No. 1 feed at Fort William, which I think is the figure appearing in the statement, to 90 cents a bushel. The only inducement now to a farmer in western Canada to produce barley is the provision of a price which will be based on a floor of 90 cents a bushel for No. 1 feed from August 1, 1947, to July 31, 1948. Then in the announcement we went on to state the relationship between those prices and the prices at present in force. The relationship is 90 cents as against 56 cents on barley and 61½ cents as against 40 cents on oats. We said that was the floor, that we guaranteed it as such. That conforms to the policy of the government, as announced in 1944, that during the transitional period we would establish floor prices below which the prices of farm

products would not be allowed to fall. So we have established a floor price of 90 cents on No. 1 feed barley and 61½ cents on No. 1 feed oats, and the prices can run up from that level on the higher grades. Then we went on to say:

At the same time, price ceilings for all grades will be raised, in the case of barley to 93 cents and in the case of oats to 65 cents . . .

That was in order to cover the point I have just made. Then in section 3 we went on to say:

In order to avoid discrimination against producers who have already delivered barley during present crop year, an adjustment payment will be made of 10 cents per bushel in respect of deliveries between August 1, 1946, and March 17, 1947, inclusive, thus raising overall returns to about 90 cents per bushel. As there is a loss in the barley equalization account for the 1946-47 crop year, no further payments are to be expected in respect of barley delivered during the present crop year. The oats equalization account for the crop year 1946-47 will, however, remain open, and net profits in that account, if any, will be distributed later to producers who delivered oats during the period August 1, 1946, to July 31, 1947.

In other words we announced that this whole policy of making equalization payments was to come to an end, and that the final payments in connection with oats would be made on oats delivered up to July 31, 1947. Because there is no profit on the barley that has been delivered up to date, and no possibility of any profits being made from now on because the wheat board is taking over the barley, therefore any money paid out to cover the total amount will have to be taken from the treasury, and there will be no participation paid as far as barley is concerned. In other words the whole announcement is to the effect that a policy was announced, prior to the opening of the 1946-47 season, of making equalization payments, and that the payments to be made between August 1, 1946, and July 31, 1947, are to wind up the policy followed from 1943 to the latter date. Then section 5 of the announcement had this to say:

For the time being, because of the continuation of price ceilings on animal products, payments of 10 cents per bushel for oats and 25 cents per bushel for barley will be made within the same conditions as the 25 cent payment on wheat purchased for feeding purposes.

In other words a payment or drawback of 25 cents was made in connection with wheat, which to all intents and purposes could be termed a feeder subsidy, and it is stated that during this period there will be a temporary feeder subsidy on these particular grains in the same way there had been a subsidy on wheat, again in order to bring the producers of live stock products who use feed grain into the position where all will be treated