

announced as part of the feed grains policy earlier in the session; and, of course, it is the intention of the government to carry out that undertaking. At least until July 31, 1948, the government has undertaken to pay the freight on all grains moving east for feeding purposes from Fort William. The freight, on grain moving to Fort William is, of course, taken care of in the price paid to farmers in the west. The freight is paid by the federal government from Fort William, east.

From 1943 until March 17 last there was a subsidy of ten cents a bushel paid on oats to the western farmer who produced oats, and a subsidy of fifteen cents a bushel to the western farmer who produced barley. On March 17 not only did we announce the continuation of the payment of freight, but in order to encourage the production of more barley we announced that the price of barley would be based on a floor of ninety cents for No. 1 feed barley. The intention was to have that apply when it was first proposed from August 1, on, in order to encourage the production of more barley in 1947. But we realized that, unless something was done further than that, no barley would be delivered until August 1, 1947. The farmer would simply hold it for a higher price. Therefore we announced that the higher price would come into effect that evening at midnight, and that all barley was then worth, not 64½ cents, as it had been prior to that date, but that it was worth ninety cents, basis number one feed at Fort William. And having said that with regard to barley which was not yet delivered, we at the same time said that we would make provision for paying at the same rate all the farmers who had delivered barley during 1946-47. Provision was made for taking over the barley then in elevators, and making that policy effective.

In order to carry out our undertaking with the eastern farmer, in view of the fact that we had said to him that the ceiling price for his barley would be 64½ cents during 1946-47, which we were under obligation to carry out down to August 1, 1947, we undertook to maintain the price to the eastern farmer at 64½ cents down to August 1, but not beyond that date. This necessitated our paying out by way of subsidy considerably more than the fifteen cents we had previously paid out. We thought that would amount to about twenty-five cents a bushel, but in the process of carrying out the policy it actually amounted to about twenty-eight cents, so that we were paying out thirteen cents more than we paid prior to March 17, and we now provide it as a drawback to the eastern producer rather

than as a producer's subsidy. We are still paying that subsidy, but we are not under obligation to do so, in so far as any announced policy is concerned, beyond August 1 next. So to that extent there is a possibility that the cost of grain will be higher after August 1.

Mr. ROSS (Souris): With respect to the payments on barley delivered prior to March 17, that is the ten cents the minister spoke of, could he tell us how that is to be handled and when the producers may expect those payments? I have had several inquiries about this. Will it be paid direct by the elevator company to the producer?

Mr. GARDINER: That is being handled by the wheat board which is really not under my department, but my understanding is that the wheat board are making provision for the elevator companies to make payment to the farmers from whom they purchased the grain. They will have a record of the amount purchased, from whom purchased and the method by which the transaction was carried out. The government took delivery of all grain at the price at which it had been delivered to the elevator companies; the government took it over on a certain date on the basis of ninety cents for No. 1 feed or ninety-three cents for No. 2 C. W. barley. My understanding is that the arrangement between the wheat board and the elevator companies is that the elevator companies will pay that additional amount to the farmers. I am not in position to recite the details.

Mr. ROSS (Souris): It is just a matter of bookkeeping.

Mr. GARDINER: That is as I understand it.

Mr. BURTON: Has the minister given any consideration to removing the ceiling on the five-cent malting premium on barley?

Mr. GARDINER: Consideration was given to that at the time we announced the policy on March 17 and at that time it was thought wise to do it. However, on examining further into the question we found that there were many things in connection with which malting barley was used. When we were considering the matter first we had in mind the fact that it was used in making beer, but we found that it was used in connection with so many other things which were still under control that at that time it was not thought possible to take off the ceiling. It is anticipated that in due course it will be taken off. I could not state the date, and I do not know whether it would be wise for me to state it even if I knew it.