

On November 22 last I made a statement to the house dealing with the wheat position as at that time. On that occasion I reviewed the work of the government and the wheat board in meeting the unprecedented conditions which had arisen in the early part of the present crop year. It is my purpose to-day to review the main developments in the Canadian wheat situation since my report of November 22. Because some of the members may not be familiar with wheat terminology, I would explain that the crop year runs from August 1 of one year to July 31 of the succeeding year. I would like hon. members to keep this in mind when I am speaking in terms of crop years.

**Quota system.** The most important development in connection with the handling of the 1940 crop was the establishment of a quota system intended to allow the equitable use of available storage by farmers throughout the three western provinces. This quota system was provided through amendments to the wheat board act in July last.

On November 19 out of a total of about 2,200 shipping points in western Canada nearly 1,600 points had quotas of 12 bushels per acre or less and slightly over 500 points had quotas of 15 and 20 bushels per acre. By the end of this week it is expected that every shipping point will have quotas of 15 or 20 bushels per acre. These increases were made in two ways. First, by increasing the general quotas at all shipping points in western Canada as soon as storage conditions warranted, and secondly, by increasing quotas at individual points, where local storage was available. The wheat board is making every effort to relieve the few points which remain on a 12 bushel basis. It may be said, therefore, that as far as the west as a whole is concerned a general 15 bushel quota is now in effect. In addition over one-half the shipping points in western Canada are now on a 20 bushel basis.

If every farmer wished to deliver all his remaining wheat up to 15 bushels per acre, local storage space at many points would at present be insufficient to house the wheat. However, many farmers are holding their wheat until spring or later to earn the farm storage payments. In addition the restrictions on shipments to the lake head are now being eased which will help to relieve pressure on country elevators.

The plan of payment for farm storage put into operation this year had the effect of slowing up deliveries which have, generally speaking, lagged behind the quotas established. I placed a statement on *Hansard* in November showing the basis on which farm storage is being paid. For example, wheat now being delivered to the board has earned 3 cents a bushel in farm storage. This plan has not only assisted a great number