

homes in western Canada gone, this government will have to take the consequences, and I do not know what they will be.

Mr. CLARK: Mr. Chairman, I should like to direct a few remarks to the Minister of Trade and Commerce regarding the operation of the Ontario division of the Canadian wheat board. In correspondence with the minister I believe the board made the statement that they had plenty of storage available to handle the Ontario wheat crops. I have a letter to that effect which came to me, I believe, from the minister's office. It is dated Toronto, Ontario, July 24, 1940, and reads:

To all agents:

Owing to congested conditions that are bound to develop in the terminal elevators, and also to the fact that railway cars are very likely to be scarce, thus causing the railway companies to demand fast unload of their cars, the board feels that it is only fair to warn you in advance that it will not accept any shipments until instructions have been issued to you giving the destination of such shipments. You are, therefore, advised not to load any wheat in the hope of getting subsequent shipping instructions, but to secure such shipping instructions before loading.

Storage and railway conditions at the present time are of such a nature that careful allotment of shipments will be necessary and it will not always be possible to give the shippers the shipping instructions that they request. These conditions are something beyond the control of the board, and it is suggested that in order to handle this unprecedented situation, with as little inconvenience as possible to all concerned, you ask the producers in your district to retain as much wheat as possible on their farms.

Continuing:

It is more than a possibility that all shipments will have to be under a permit system, and at times an embargo on shipments will have to be put into effect.

Please remember, do not load any cars until you have had instructions from the board to do so.

Those instructions were sent out when apparently the board had ample storage facilities to handle the Ontario crop, and when they did not know that we would have a rainy harvest, with perhaps a small portion of the crop being marketed as milling wheat.

The marketing of wheat in Ontario to the board generally starts on August 1. A certain condition immediately developed. The board did not issue shipping instructions, and I know of different cooperatives, one in particular, which sold twenty of the first cars taken in at that elevator direct to the millers, because no shipping instructions were issued. The Western Ontario Elevator Association, all of them agents of the board,

naturally were very much worried over this situation. The secretary sent out a letter on August 12, as follows:

Gentlemen,

Are you satisfied with the way the wheat board is handling things so far this year? We hear many complaints and in order to learn the true situation, that is to get a picture that covers not just two or three elevators but the majority of those loading for the board in southwestern Ontario, I ask you to fill in the following questionnaire.

Any figures you may give me will not be made public but totals compiled from these and others may be made public or used to try and improve the situation.

If we are to do anything to help in time to be of use this year we must act quickly so I ask you to get this away by return mail.

1. Up to and including Friday, August 9, how many bushels of wheat had you reported to the board on form T-2?

2. How many bushels of storage capacity had you reported to the board?

3. Up to and including Monday, August 12, how many bushels had the board given you loading instructions for?

4. Up to and including Monday, August 12, how many bushels of open or non-board wheat have you shipped?

5. If the board had given you instructions to load so that you could have taken in wheat from the farmer for the board how much or what percentage would have gone on the open market?

The letter is signed by the secretary of the Ontario Elevators Association.

That was the condition which existed when, the board declares, they had ample storage facilities available. By not giving shipping instructions they caused the dealers to sell direct to the millers. But the board was set up to handle this wheat in a cooperative way, market it in an orderly manner, and get as much money for the producers as it was possible to get.

We might take a look at the figures. In the first two months the inspections were 1,184,295 bushels, of which 455,211 bushels went into the storage. Therefore the board must have sold direct to the mills 729,084 bushels of wheat. Now, along with selling to the millers approximately 61 per cent of the wheat which they took in during the two months, they drove, by not giving shipping instructions, a great deal more wheat to the millers. What really happened after that was this. When the wheat was in the hands of the millers, the price rose 24 cents a bushel in thirty-two days. The Minister of Agriculture mentioned, I believe a week ago on Friday, that perhaps there was some dissatisfaction with the operations of the eastern division of the Canadian wheat board. I think he is absolutely correct, and I feel that there should be an eastern division controlled by eastern