

Wheat Board Act

barley the Canadian wheat board will be empowered to administer this policy and regulations will be issued in due course.

3. That the price of flaxseed be fixed at \$2.25 per bushel basis No. 1 C.W., flaxseed in store Fort William/Port Arthur. The dominion government will empower the Canadian wheat board to purchase and handle all flaxseed delivered by producers in Canada in 1942-43. Trading in futures and cash flax will be stopped on all Canadian markets at some date to be determined. An order in council has been passed which prohibits any person under very heavy penalty from moving flaxseed from any licensed or unlicensed elevator or mill in Canada, and also prohibits any operator of any elevator or mill from utilizing flaxseed without the written authority of the Canadian wheat board. Needless to say there will be no interference with the processing of flaxseed in Canada. In the near future regulations will be issued for the handling of flaxseed under the new plan.

In connection with the minimum prices being established for oats and barley the government wishes to give a measure of assurance and security to those producers who co-operate in producing an ample supply of feed grain in 1942 in a patriotic endeavour to maintain our live stock production at high levels. Producers generally will face the new crop year with the assurance that whatever the production of oats and barley is in 1942, the market will be supported on the basis I have outlined.

Mr. McNEVIN: Would the minister state how that compares with the present price?

Mr. MacKINNON (Edmonton West): I think it is a few cents below the present price.

The government's proposal in connection with flaxseed is designed to stimulate maximum production in 1942. Canada and the United States must take steps to increase their supply of vegetable oils to replace sources of supply now cut off by the war. Flaxseed is not an easy crop to produce. The seed is expensive, land must be well cultivated and flax is not ordinarily a high-yielding crop. With these facts in mind the government feels that a relatively high price should be established for flaxseed in 1942 and consequently has decided on the \$2.25 per bushel basis.

Mr. DIEFENBAKER: What is the reason that trading in flax futures is to be forbidden?

Mr. MacKINNON (Edmonton West): The handling of flax is being made a monopoly of the Canadian wheat board, to avoid speculative profits by people in possession of flax acquired at very much lower prices.

[Mr. J. A. MacKinnon.]

Mr. NICHOLSON: Why not also wheat and all other grains?

Mr. MacKINNON (Edmonton West): Corresponding procedure has been adopted to prevent speculation in wheat, for the same reason.

Mr. NICHOLSON: Except the closing of the exchange.

Mr. MacKINNON (Edmonton West): I do not think the closing or holding open of the exchange has anything to do with the question.

Mr. PERLEY: It might be a debatable subject.

Mr. MacKINNON (Edmonton West): Possibly. In any event I do not think it is relevant to the matter I am placing before the house at the moment.

No participation certificates will be issued in connection with marketings of oats, barley and flaxseed. Any losses accruing to the government from these operations will be charged to the consolidated revenue fund and in the case of flaxseed any profits resulting from the government's operations will accrue to the credit of the same fund. In the case of oats and barley, any profits will accrue to this fund to apply against government disbursements under the general programme.

When the grain policy which I have outlined is supplemented by the statement which will be made by the Minister of Agriculture, I am sure that the house will agree that this is the most comprehensive grain programme ever presented to parliament. As I have said each step, each stage, has been carefully considered and the implications thoroughly worked out. Broadly, the programme which I have placed before the house seeks to give assistance where it is needed, to give greater assurance to the farmers of western Canada, to indicate the lines of production which should be emphasized in 1942-43, and finally to facilitate the production of needed farm products. I have every confidence that our programme is practical and will commend itself in the present emergency, and meet with the full cooperation of grain producers of western Canada.

Mr. DONNELLY: Has there been any floor or ceiling fixed in regard to rye?

Mr. MacKINNON (Edmonton West): No. I think my colleague, the Minister of Agriculture, will be dealing with matters in connection with rye in his presentation.

It is my intention as soon as the principle of this legislation is approved by the house on second reading to ask that the bill be referred to the standing committee on agriculture for consideration and report.