

The dominion government, through the Canadian wheat board, will own the bulk of the estimated carry-over of 575 million bushels as at July 31, 1941. It is obvious that the obligation of the dominion government in respect of this wheat will be at least 400 million dollars. In addition it will require 50 million dollars to carry this wheat for the ensuing 12 months. To these commitments already made must be added any additional commitments which we undertake in respect of the 1941 crop. It is in the light of these facts that we have had to reach a decision in regard to the wheat policy to be followed for the crop year 1941-42.

The government has been alive to the difficulties of the wheat situation and the whole wheat problem has been under constant and persistent study by various branches of the government and of the wheat board. The advisory committee, appointed last fall under the Canadian Wheat Board Act, has been giving a great deal of consideration to every aspect of the problem. From the many representations which have been made to me from people in all walks of life, throughout the west and throughout all Canada, I think I am safe in saying that no Canadian problem has received more careful attention and consideration than has the wheat problem.

I shall now outline the plans the government proposes to make effective this year in connection with the 1941 crop.

(1) To take such action as will ensure as nearly as possible that the visible supply of Canadian wheat on July 31, 1942, shall be no larger than on July 31, 1941. In other words we feel that we have reached the limit of the volume of wheat reserves which should be carried.

(2) To accomplish this a definite limit will be set on the amount of wheat which it will be possible to deliver either to the board, on the open market or otherwise, during the crop year 1941-42. The limit will be 230 million bushels—for the whole of Canada, an amount which it hopes can be sold in the domestic and export markets in 1941-42.

(3) The Canadian wheat board and the government have given the most careful consideration to an equitable plan by which deliveries of the 230 million bushels will be distributed among wheat producers. The quota system so successful this year will be maintained and these quotas will be based on the production from 65 per cent of the 1940 acreage. The first quota will be a general one and will allow the delivery of the same amount of wheat per acre from every farmer. The second and following quotas will be certain proportions of the 1941 yield for the farmer's shipping point; that is a high yield point in 1941 will have a higher quota per acre than a low yield point. I cannot at the moment give further details of the delivery plan but I can say that the plan will be equitable as between farmers and as between areas in the prairie provinces. This plan of quotas will operate