

Although supplying the bulk of the wheat requirements of the United Kingdom since the outbreak of war, exports of Canadian wheat were not sufficient to take care of the large crops harvested in 1939 and 1940, with the result that the Canadian carryover increased to record proportions on July 31, 1941. The upward trend in wheat stocks in Canada was only moderately offset by the small crop produced in 1941, the carryover at July 31, 1942, being 424 million bushels compared with 480 million bushels at July 31, 1941.

Thus, the third year of the war found the exporting countries generally concerned with problems of surplus wheat, problems of storage, and problems in the financing of wheat in all its aspects. These were the circumstances under which The Canadian Wheat Board operated in 1941-42, under the wheat program established by the dominion government for that crop year.

### 1941-42 WHEAT PROGRAM

With Canadian stocks of wheat indicating a prospective Canadian carry-over of unprecedented proportions on July 31, 1941, the 1941-42 wheat programme was the subject of intensive study by the dominion government, The Canadian Wheat Board, and the advisory committee to The Canadian Wheat Board. In discussing plans for 1941-42 the report of The Canadian Wheat Board for the crop year 1940-41 stated:

With the carryover of Canadian wheat threatening to exceed 500 million bushels, and with storage facilities badly congested, it seemed clear that continuation of the traditional policy of unrestricted wheat production was not advisable under war conditions. The considerable outlay for storage and carrying charges on huge stocks of wheat could not logically be increased, when the funds were needed in more direct war effort. There developed a fairly common agreement that wheat deliveries must be restricted to the amount of wheat that could be sold at home and abroad during the crop year 1941-42.

The 1941-42 wheat delivery program was provided for in order in council P.C. 3849 of May 30, 1941. This program called for the limitation of wheat deliveries for the crop year 1941-42 to approximately 230 million bushels for the whole of Canada. The Canadian Wheat Board was charged with the responsibility of implementing the limitation in total marketings of wheat in Canada, and under the above order in council was given the necessary regulatory powers. In the administration of the limitation on total marketings in the west, an "authorized acreage" for delivery purposes was established for each producer on the basis of 65 per cent of his declared wheat acreage in 1940. Facilities were provided for the upward adjustment of authorized wheat acreages in the case of producers who had seeded an unusually low wheat acreage in 1940. Particular attention was paid to those districts where drought and grasshoppers greatly reduced wheat seeding in 1940. Other producers had their authorized acreages lowered because of unusually high wheat acreages seeded in 1940. The adjustment of these extremes modified the inequities arising from the use of a single base year.

The number of bushels per authorized acre to be marketed in 1941-42 was left open until the size and pattern of the 1941 crop were known. Provision was made for a sliding scale of deliveries based on yields should the size and distribution of the 1941 crop make such an arrangement necessary.

The statutory fixed initial price of 70 cents per bushel basis in store Fort William/Port Arthur or Vancouver remained in effect.

The Wheat Acreage Reduction Act 1941 played an important part in defining the wheat position in Canada during 1941-42. Under this legislation bonuses were paid for wheat acreage reduction in 1941 as compared with 1940.