

for soft wheat for milling purposes, and because of the volume of grain required for live stock feeding in eastern Canada.

In the main, the government's proposal to permit marketings of 280 million bushels in the prairie provinces and British Columbia during 1942-43 was designed to limit such marketings to about the quantity which will go into export trade or domestic consumption in Canada. As a result, the government does not anticipate much change in year-end stocks on July 31, 1943, as compared with stocks which will be carried on July 31, 1942.

Delivery Quotas.—As long as maximum authorized deliveries are established for the prairie provinces, it will be necessary to provide for the limitation of farm deliveries. This is the only way in which total deliveries may be regulated.

The government, in consultation with the Canadian wheat board, proposes that individual deliveries in the prairie provinces and British Columbia will be based upon authorized acreage of each individual producer, as established in 1941-42. On this basis the authorized acreage of the prairie provinces and British Columbia for delivery purposes will be about 20,000,000 acres.

The per-bushel quotas to be estimated on authorized acreage in 1942-43 will be determined in an equitable manner when 1942 seeded acreages are known and when the general pattern of the 1942 crop is established. It is the desire of the government and the board that the simplest possible quota plan be established for 1942-43, consistent with the obligation of distributing marketings of 280 million bushels equitably among approximately 240,000 wheat farmers in the prairie provinces.

In connection with establishing delivery quotas it will be necessary for all wheat producers who are operating new farms in 1942; or who are operating more land in 1942 than in 1941; or who are operating less land in 1942 than in 1941; or who did not take out permits in 1941, to advise the Canadian wheat board at the earliest possible moment of changes in their farms or of the fact that they do not hold 1941 permits. This is necessary in order that authorized acreages may be properly established and in order that there be as little delay as possible in issuing permits to deliver wheat in 1942-43.

Before leaving the matter of the price of wheat for 1942-43, and authorized marketings, I would like to indicate broadly the effect of the new price upon potential income in the prairie provinces. I say "potential" for the reason that we cannot be assured of how much wheat will be produced in 1942-43 when the new price basis becomes effective. In 1941-42

the dominion government permitted the marketing of 230 million bushels, which at the fixed price of 70 cents per bushel provided for farm income from wheat of about \$125,000,000. Since a very short crop was harvested in 1941, wheat deliveries will probably not exceed 200 million bushels, and the return to wheat producers will be about \$106,000,000, exclusive of other forms of assistance.

In raising the per-bushel return from wheat and the amount of wheat permitted to be marketed from 230 million bushels to 280 million bushels, the potential wheat income of the prairie provinces will be raised from \$125,000,000 in 1941-42 to about \$205,000,000 in 1942-43, provided the full amount of the authorized marketings is available. The government's proposals in connection with price and authorized marketings therefore involve a very substantial increase in the income of wheat producers. When this increase in income from wheat is placed alongside of a very large income which is now accruing to producers of the prairie provinces from the sale of live stock, live-stock products, and grains other than wheat, western Canada should be assured of a very substantial farm income in 1942-43 provided crop conditions are reasonably good. If farm revenues from sources other than wheat increase moderately and if an average crop is harvested in 1942-43 farm revenues should reach \$475,000,000 in the prairie provinces during the coming crop year, as compared with about \$350,000,000 in 1941-42, exclusive of direct dominion government subsidies in both years.

So far I have dealt mainly with that phase of the government's grain programme which deals primarily with the desire of the government to increase farm income and add greater security to the position of the wheat producer. I now wish to submit three additional and important proposals for the particular purpose of securing increased production of three farm products which are necessary to our national war effort.

These proposals are:

1. That a minimum price level for barley be established. This minimum price level will be 60c. per bushel basis in store Fort William/Port Arthur for Winnipeg barley futures as well as for all cash barley, basis No. 2 C.W. 6 row at 60 cents. The Canadian wheat board will be empowered to carry out this policy and regulations will be prepared in due course.

2. That a minimum price level for oats be established. This minimum price level will be 45 cents per bushel basis in store Fort William/Port Arthur for Winnipeg oats futures as well as for all cash oats, basis No. 2 C.W. at 45 cents. As in the case of