

R E F E R E N C E - 2 -

in Canada. They are for temporary storage only, however, until the grain can be moved along to the next stage of shipment.

The wheat is loaded from country elevators through spouts into railway box cars and the wheat is then moved from the country points to terminal elevators. Wheat from the eastern two-thirds of the crop area of the Prairie Provinces moves to terminals at the twin cities of Fort William and Port Arthur, located at the western end of the Great Lakes and some wheat goes directly to Port Churchill (approx. 10 million bushels a year). Lake boats and barges transport the wheat from Fort William and Port Arthur to the eastern ports of Montreal, Quebec, Three Rivers, Sorel, Saint John and Halifax. Wheat from the western third of the Prairie Provinces is hauled across the Rocky Mountains to the ports of Vancouver, New Westminster and Prince Rupert.

In addition to the large terminals at Fort William and Port Arthur and the export ports, there are several large elevators at various points across Canada, which act as transfer and storage points for the wheat. Total capacity of all grain elevators in Canada is approximately 561 million bushels.

This enormous storage and transportation system, necessary in the moving of wheat, was built up gradually over the past 50 years and is designed to handle grain quickly and economically, to clean and dry it if necessary, and store it safely until shipment is required.

GRADING

The Canada Grain Act, administered by the Board of Grain Commissioners, established a grading system for Canadian wheat and provides for the issuance of government certificates verifying the grade. The grain is inspected by government grain inspectors and graded according to the terms of the Act. A buyer of Canadian wheat, therefore, is assured that the grain he has purchased conforms to rigid standards of government inspection. Such is the respect for the Canadian grading system, that the Board of Grain Commissioners "certificate final" is universally accepted as proof of grade.

Statutory definitions of the principal export grades of western wheat are attached as Appendix B.

The Grain Research Laboratory, established by the Board of Grain Commissioners, conducts annual surveys of the protein content of Western Canadian wheat, and publishes information bulletins and maps each year. It also conducts baking tests with flour milled from Canadian wheat, and issues annually a report dealing with the baking quality of the Prairie wheat crop.

METHOD OF MARKETING

Under the authority of the Canadian Wheat Board Act, 1935, as amended, the Canadian Wheat Board acts as the marketing agency for all wheat delivered by producers in Western Canada. Producers are paid an initial payment basis No. 1 Northern in store Fort William/Port Arthur or Vancouver with differentials established for lower grades.