

Wheat Board Act

mum prices regulations and the wartime prices and trade regulations, will have the duty of determining the price at which wheat will be sold to domestic buyers in accordance with these principles.

The wartime prices and trade board will discharge this duty from time to time after consultation with the Canadian wheat board.

Since the resolution on the order paper on March 5 indicated an increase in the fixed initial price of wheat, the Canadian wheat board has taken steps to prevent any speculative profits that might arise from the government's decision and to that end sent the following wire to the secretary of the Winnipeg grain exchange before the opening of the market on March 6:

J. T. Irving,
Secretary, Winnipeg Grain Exchange,
Winnipeg, Man.

A resolution placed on the order paper for March 5th 1942 indicates the government's intention to increase the initial price of wheat. This is an official notification of our intention that all open wheat futures will be adjusted to the new level of wheat prices on or before July 31st 1942 and that all open wheat futures will be cleared on or before this date at the closing prices of Thursday March 5th, that is May wheat futures at 79½ cents and or July wheat futures at 80½ cents. If this action is not taken until July 31st suitable carrying charges will be allowed to holders of cash wheat for the elapsed period during the month of July. Unhedged cash wheat will be adjusted on the same basis. In the meantime holders of cash wheat as well as futures may continue to carry on with their normal business bearing in mind the above.

The Canadian Wheat Board

Mr. HANSON (York-Sunbury): Before the minister approached that portion of his remarks with respect to the grain exchange, he suggested that there might be a deficiency between the initial price of wheat and the price fixed by the wartime prices and trade board. He has not made it quite clear who is to absorb that deficiency, if any. I think he ought to tell the Canadian people on whom that burden is to rest. Is it to be on the millers, on the bakers, on the general public by way of some increase, or is it to be paid out of the consolidated revenue fund; and how much?

Mr. MacKINNON (Edmonton West): Investigations have been in progress and are continuing as to the point raised by the leader of the opposition, and an announcement will be made just as soon as a decision is arrived at.

Mr. HANSON (York-Sunbury): When will that be?

Mr. MacKINNON (Edmonton West): Well, that should be shortly.

[Mr. J. A. MacKinnon.]

Mr. HANSON (York-Sunbury): Before this bill goes through?

Mr. MacKINNON (Edmonton West): I am not sure of that, but I expect that it will be shortly.

In announcing the government's decision in regard to price, I may once again reiterate the fact that this new price is not to be considered as warranting undue expansion in wheat acreage. I will go one step further. This is the highest government-guaranteed price for Canadian wheat at any time since the last war. Wheat producers must accept the responsibility of keeping wheat acreage at reasonable levels.

In proposing a price of 90 cents per bushel for No. 1 northern in store Fort William/Port Arthur or Vancouver, the government is going as far as it feels it can go, with due regard to its immediate and unprecedented financial responsibilities in connection with the prosecution of the war. I need not remind this house of the present financial commitments of the government in respect to wheat. The annual report of the Canadian wheat board, recently tabled in this house, showed on July 31, 1941, deficits in respect to 1938, 1939 and 1940 crops amounting to \$79,972,814.45. A substantial proportion of Canadian wheat supplies is held by the Canadian wheat board and is a direct responsibility of the dominion government.

In addition to these exceedingly large commitments in respect to wheat, the new fixed price will add materially to the government's obligations in respect to wheat during 1942-43.

In addition to increasing the fixed price per bushel of wheat, the government proposes to substantially increase authorized deliveries of wheat in the prairie provinces and British Columbia during 1942-43 to a total of 280 million bushels.

This figure is based upon estimated domestic and export demand but it is extremely difficult to accurately forecast exports a year and a half in advance. The government is guided by estimates of exports and domestic demand and is fixing authorized deliveries at 280 million bushels. This figure will not be changed on the basis of later estimates of the 1942-43 demand for Canadian wheat. The government thinks it is more satisfactory from the producers' standpoint to name a definite figure for marketings in 1942-43, rather than make it conditional upon factors which can only be estimated.

The authorized deliveries of 280 million bushels will apply only to the prairie provinces and part of British Columbia. The government does not propose to regulate marketings in eastern Canada because of the large demand