

acreage reduction and the estimated \$10 million under prairie farm assistance, he will still be \$146 million below the 1926-29 level.

As I say, that part of the farmer's operations which is related to wheat will be down by about \$176 million. We are going to try to improve this position by taking two steps. We are going to pay \$2 an acre for wheat acreage reduction, which on the basis of our 1941 experience will bring \$20 million. You will naturally ask me how that improves the position of the wheat farmer. Well, it would not if the government were prepared to take all the wheat the farmer could grow. But we are saying to him: No matter how good your crop is, we are going to take only 280 million bushels of wheat this year. It is quite a common thing in western Canada to produce on the average 15 bushels to the acre, and an average of 15 bushels to the acre on 20 million acres will produce 300 million bushels of wheat. It is possible therefore that if the farmers seeded 29 million acres in wheat, as some estimate they did in 1940, and grew even less than 15 bushels to the acre, they might have a very considerable amount of wheat which during this year they would not be able to market. So that the government is saying to the farmer, "we are prepared to pay \$2 an acre for a reduction in wheat acreage, which may net you less income than the wheat would."

I should like to correct an impression that seems to have been abroad throughout Canada during this last year that this government was paying for summer-fallow. This government was not paying for summer-fallow last year. We were paying the farmer to reduce his wheat acreage. The discussion in the house last session by those who were in favour of the policy which was then brought before the house was to the effect that we had an enormous carryover, this was referred to by the Minister of Trade and Commerce this afternoon, a carryover which induced many of us to say last year that by the end of the crop year 1941-42, on July 31 next, we might have an amount of wheat on hand very much in excess of what the figures now indicate will be carried over. I think there were a few who prophesied a carryover of 700 million bushels, and some prophesied that we might even run close to the billion bushel mark. But with a short crop, and the reduced acreage under the wheat acreage reduction plan of last year, we are going to be down to about 400 million bushels at the end of this present crop year. We helped to bring about that reduction through a wheat acreage reduction policy.

The government still feels that it would be a mistake in this third year of the war to put the wheat acreage back to where it was in 1940. There is a difference of opinion as to what the wheat acreage was in 1940. Statistics have estimated that it was something over 27 million acres. The wheat board, I think, basing the figures on their permits, have figured it at something over 29 million acres, and the prairie farm assistance organization of the Department of Agriculture have estimated that the reduction from 1940 was approximately 9 million acres, which would place the total at about 29 million. So that if the wheat board's estimate of the average for 1940 is correct, and if our reduction figure, the actual amount of reduced acreage on which we shall be paying, is correct the wheat acreage at the present time should be somewhere around 20 or 21 million acres. It is the desire of the government this year to attempt to hold it at around 20 or 21 million acres. I want to emphasize that, because I noticed a newspaper article the other day in which it was suggested that the present act raised the proposed acreage from 65 to 80 per cent of 1940. That is not the intention of the present act, nor is it in accordance with the terms of the present act. The 80 per cent in the present act has only to do with farmers who in 1940 put practically all their land into wheat. On those particular farms they are only allowed to start their reduction from 80 per cent and work from there down, to earn the \$2 an acre that is paid to those who put their reduced wheat acreage into summer-fallow or into coarse grains. Last year we paid \$4 an acre when the acres. Last year we paid \$4 an acre when the acreage taken out of wheat was put into summer-fallow, and this year we are paying only \$2 an acre. Last year we paid \$2 an acre on all coarse grains including flax. This year we are paying \$2 on all coarse grains excluding flax. In other words we are paying \$2 on the rye which was mentioned while the Minister of Trade and Commerce was speaking, but we are not paying \$2 on flax because the government is prepared to guarantee a price of \$2.25 a bushel for flax which it is hoped will induce the production of all the flax that is required.

It might be asked why we are anxious to have an increase in the production of flax and an increase in the production of coarse grains this year. The reason is found in what has been happening in the war in recent months. We had lengthy discussions last year as to the amount of coarse grains that would be required, and whether we could get rid of all our coarse grains if grown in the