

acquired under this order in council, the board was specifically instructed to observe the maximum price regulations in respect to this product. The basis of the board purchases of flaxseed from producers during the crop year 1942-43 was also set forth.

Under order in council P.C. 1800, which was made effective from March 19, the board took over 1,968,462-09 bushels of flax prior to July 31, 1942 (including purchase of 1941 flaxseed from producers). Between the effective date of order in council P.C. 1800 and the end of the crop year on July 31, 1942, board sales of flax amounted to 1,339,205 bushels, leaving stocks on hand on July 31, 1942, of 629,257-09 bushels. Open futures trades of 1,116,000 bushels were closed out on the basis of, and under the authority of order in council P.C. 1800.

EASTERN DIVISION

On June 25, 1941, by order in council P.C. 4535, the price of 70 cents per bushel, basis delivered in Montreal, for No. 1 grades of Canada Eastern winter wheat, was continued for another year. On July 8, 1941, by order in council P.C. 5040 prices of No. 2 and No. 3 grades were fixed at 68 cents and 65 cents per bushel respectively.

Owing to the small wheat crop in Ontario in 1941, the price of Ontario wheat rose far above the board's initial price, as established by order in council P.C. 4535. Ontario producers therefore had a market for their wheat outside of The Canadian Wheat Board. As a result, only a very small amount of wheat was delivered to the board by one producer, which would have meant excessively high per-bushel handling costs. For these reasons, the government, by order in council P.C. 7700, dated October 4, 1941, announced that The Canadian Wheat Board would accept Ontario winter wheat only in the event that the market price for No. 1 grades of Ontario winter wheat at country points fell below the price of 80 cents basis export rail freights to Montreal. This same order further empowered the board to return to the producer the small amount of 1941 wheat delivered to the board prior to October 4, 1941. The terms of order in council P.C. 7700 were carried out by the board, and since the price remained above the figure set, no deliveries to the board were made and there are no operations to be reported.

ADVISORY COMMITTEE

The advisory committee continued to render assistance to the board and to the dominion government during the crop year 1941-42. During the crop year four meetings of the advisory committee were held and a wide range of matters came under review of the committee. Particular attention was paid to formulation of recommendations in respect to the wheat policy for 1942-43, two meetings of the advisory committee being largely devoted to this purpose. Among other important matters referred to the advisory committee were farm storage, car allotment, basis of delivery quotas and the domestic price of wheat.

During the year, Mr. D. G. McKenzie, chairman of the advisory committee, tendered his resignation on being appointed Chief Commissioner of the Board of Grain Commissioners for Canada. Mr. McKenzie was succeeded on the committee by Mr. R. C. Brown of Pilot Mound, Manitoba, and Mr. Lew Hutchinson was elected chairman of the advisory committee.

1942-43 PROGRAM

After several months of thorough consideration, the dominion government announced its 1942-43 grain program on March 9, 1942. Among the factors which were of decisive importance in determining the 1942-43 grain policy were the following:—