

consumption and another 77 million bushels for seed and feed, giving us a total domestic utilization of 127 million bushels. If in addition we can only export this year about 150 million bushels, it is apparent that we can look forward to the disappearance of only 277 million bushels of wheat during the present crop year. We started the year with 852 million bushels, by far the largest amount of wheat ever held at one time in this country. This means that on July 31, 1941, we will have a wheat carry-over of about 575 million bushels, and within a few weeks after that the 1941 wheat crop will be coming on the market.

I would now like to deal with the probable position in terms of the storage situation in Canada. The rated capacity of grain elevators in Canada is 521 million bushels including 84 million bushels of temporary annex space built in the last two years in the prairie provinces. After allowing for the storage of coarse grains and flax seed, a certain amount of Canadian wheat in the United States, wheat in transit, and space which for one reason or another cannot be used at particular times, it was obvious that additional grain storage would be needed in Canada prior to July 31, 1941, in order to take care of the balance of deliveries from the 1940 crop, and the government had given the wheat growers of Canada an assurance that they would accept from them the total deliverable portion of their wheat.

To meet this situation the government entered into an arrangement with western elevator companies for the construction of approximately 50 million bushels of temporary terminal storage space at Fort William-Port Arthur. The arrangements made were approved by order in council of February 19, 1941. I am assured a large part of this new space will be ready by July 31 of this year and the remainder in August and September. These facilities are being constructed by the elevator companies. The government has agreed to maintain all elevator tariff charges now prevailing without reduction until July 31, 1943, and to allow the companies to write off as depreciation for income tax purposes 50 per cent of the actual cost of construction in each of two successive years.

It is further agreed by the companies that after the 31st day of July, 1943, they will, upon request, each enter into agreements (upon the basis of payment of reasonable remuneration for each operation) as may be mutually satisfactory in the light of the operating experience gained during the period up to July 31, 1943, for the operation of its temporary facilities during the balance of the time such facilities are needed.