

Q. And there is no market for it?—A. As a matter of fact, I think I outlined enough statistical information to show that this surplus is now disappearing very fast. In spite of all you do nature takes a hand in all these things. It did last year, and it will again. In other words, we in the west who follow this situation closely are not afraid to build up unwanted surpluses. As I recall it, Mr. Chairman, in 1938 the world had a normal wheat carry-over. All this surplus came since. We have had surpluses before and we will again; but the time will come when nature takes care of this production; and as was the case in 1938 when we faced a normal carry-over of some 600,000,000 bushels in world supply. Supposing we had started during the Bennett regime, as they call it in the west, cutting acreage and had this reduction, it would have been possible for there to have been a scarcity of wheat, or a famine of wheat, in 1938, if all nations had carried out that kind of a policy. Nature takes care of these things.

Well, Mr. Chairman, in the discussion in the house the Minister of Trade and Commerce went on record that in 1938 for the four wheat-growing countries; that is, Australia, the Argentine, the United States and Canada; there was a surplus of about 300,000,000 bushels, and this year they estimate a surplus of 1,370,000,000 bushels. Now, you may be right in your viewpoint that this surplus will disappear, but that is not the picture that was presented to us in the house.—A. I think you are wrong in your year. As a matter of fact, we had a complete disaster in Saskatchewan; we produced 36,000,000, just over two bushels to the acre in 1937, and at the end of the 1937 year (that is, July, 1938) the world had a normal carry-over or surplus. I think I quoted the minister correctly when I said that he was dealing with the 1939/1940 period—am I right? Not 1938—we had a normal carry-over in 1938.

The Hon. Mr. MacKINNON: Whatever the figures were they are in the record.

*By Mr. Donnelly:*

Q. Mr. Wesson said, speaking of flax, that we may be unable to crush all the flax that we have in this country if we have a large crop, but that we could sell it in the United States. Can he tell the committee how much flax we can crush in this country; or, how much he estimates we can crush in this country; because we have been told in the house that there is almost unlimited crusher capacity in this country to take care of all the flax we can produce.—A. My understanding from discussing this question with Dr. Taylor, the United States attaché from Washington, is that flax crushing equipment could quite easily be made available, but that there was not enough at the present time to take care of the prospective production in this country. It is possible, however, that with the splendid war effort our ministers are putting forth that they may be able to find some way of increasing the capacity of flax-crushing equipment. Unless that is done I can see nothing for it but that flax will have to be crushed in the United States.

*By Mr. Ross (Souris):*

Q. In connection with flax, when you said you thought it should be increased to \$2.50 a bushel, was it also your opinion that it should be regarded as a coarse grain and used with a view to reducing wheat acreage?—A. I do not think we would have much objection to the \$2 figure; nor do I think we should take that into account in estimating the amount we receive for our wheat. I think it would assist in reducing acreage; but I think the \$2.50 is very important.

Mr. McNEVIN: As I understand the function of the pools in relation to wheat in western Canada they are, and I think quite properly, essentially a storage agency. There has been a very insistent demand from all sections of the House of Commons for a reduction in the storage carrying charges for wheat. Being a