

early years, an Advisory Committee was appointed, under Sect. 6 of the Act, of which the membership is given at p. 574 of the 1939 Year Book. Its services were dispensed with on Dec. 3, 1935. This Advisory Committee was not reconstituted until 1940 as noted on p. 783.

THE CROP YEAR, 1938-39

Summary

The crop year 1938-39 will be remembered as a period of political uncertainty and of world-wide surplus conditions. Since the initial price paid by the Board was 80 cents per bushel for No. 1 Northern in store at Fort William/Port Arthur and since realizable market prices were consistently well below this figure, there could not fail to be a sizeable loss on the Board's operations. In the late winter and early spring of 1939, political tension in Europe and unfavourable growing weather in the United States winter wheat belt were the dominant market factors. While prices remained generally low, there were spurts of buying that helped prices and permitted the Board to make good sales. Early in July, however, the picture changed and the Liverpool market descended to register all-time lows. The Winnipeg July future fell to 49 $\frac{7}{8}$ cents on July 24. Board sales during this period were quite restricted.

Changes in the Canadian Wheat Board Act

During the 1939 session of Parliament, the Canadian Wheat Board Act was amended in several important respects.

- (1) A section was added limiting Board purchases of wheat to 5,000 bushels from any one producer in any one crop year, with the further provision that the aggregate of Board purchases from any one farm or group of farms operated as a unit must not exceed 5,000 bushels in any one crop year. Penalties were provided for infractions of this limitation.
- (2) The fixed initial price was established under the amendment at 70 cents for No. 1 Northern at either Fort William/Port Arthur or Vancouver. Previously, it was the responsibility of the Board to determine the initial price with the approval of the Governor in Council, and this price was only a Fort William/Port Arthur basis. In 1935-36 and in 1938-39, by regulation, the Board included Vancouver on the same basis as Fort William/Port Arthur.
- (3) Previous legislation, whereby the Governor in Council could approve of the extension of the provisions of the Act to oats, barley, rye or flax was repealed.
- (4) A section was added whereby the provisions of the Act shall apply *mutatis mutandis* to wheat produced in the Eastern Division, the initial price to be fixed by the Board, with the approval of the Governor in Council.

These amendments came into force on Aug. 1, 1939.

Exports

During the crop year, exports of Canadian wheat and wheat flour approximated 165,000,000 bushels. Despite the relatively higher prices ruling for wheat at the Lakehead, 39,470,915 bushels of wheat were exported via Pacific Coast ports, this wheat moving westward from the most favourable freight differential points. Nearly 1,000,000 bushels were also shipped out of Churchill.

Operations of the Board

Purchases from producers during the crop year amounted to 292,360,030 bushels and there was an unsold carryover of 86,539,554 bushels shown at July 31, 1939. This wheat was sold during the following crop year, 1939-40, but the account for the 1938 crop was not closed out until Apr. 24, 1942, when the final funds were received from the Department of Finance. The deficit resulting from the Board's operations in 1938-39 was then placed at \$61,525,691.