

On Mar. 9, 1942, Order in Council P.C. 1803 was passed, giving the Canadian Wheat Board all the necessary powers to transfer all non-Board or open market stocks of Canadian wheat (Western Canada grain grades) to the new and higher price level. An important feature of the mechanism was the preventing of speculative profits accruing as a result of this decision. By the terms of the Order in Council, the Canadian Wheat Board was given the power, up to and including July 31, 1942, to buy actual wheat from persons other than producers, to control and adjust trading and contracts in Winnipeg wheat futures and to exercise any other powers necessary to give effect to the change from the lower to the higher price level.

Higher Price Level for Flaxseed Stocks.—On Mar. 5, 1942, Order in Council P.C. 1636 “froze” the stocks of flaxseed in Canada under the supervision of the Canadian Wheat Board. This step was taken because the necessary supply of vegetable oils for Canada and her Allies was seriously threatened by the spread of war in the Pacific area. A higher price was intended for 1942 production and control of existing stocks was a prerequisite to the establishment of the new policy.

Under Order in Council P.C. 1800, dated Mar. 9, 1942, (brought into effect on Mar. 19 by Order in Council P.C. 2166), the Canadian Wheat Board was given compulsory power to take possession of all commercial stocks of flaxseed in Canada and the Board became the sole agency to receive deliveries from producers. Futures or cash trading of flaxseed on any grain exchange or elsewhere in Canada was prohibited. The Board was empowered to pay fixed prices to producers established from time to time by Order in Council and to observe the ceiling of \$1.64 for 1 C.W. Fort William in selling flaxseed for domestic use.

Maximum Prices of Grains.—The Board undertook the responsibility of acting as Administrator on behalf of the Wartime Prices and Trade Board in defining the maximum prices at which certain grains traded during the basic period Sept. 15 to Oct. 11, 1941.

Acreage and Production

As contemplated by the 1941-42 wheat program, including the introduction of bonuses for wheat acreage reduction, the acreage sown to wheat in Canada declined from 28,726,000 acres in 1940 to 21,882,000 acres in 1941, and wheat acreage in the Prairie Provinces declined from 27,750,000 acres to 21,140,000 acres—a reduction of about 24 p.c. Substantial increases in the area seeded to feed grains and flaxseed were reported.

Although the crop was seeded under favourable circumstances, a combination of drought and extremely high temperatures caused a rapid deterioration in the grain crops in Saskatchewan and Alberta during the latter part of June and the month of July.

Wheat production in Canada was 315,000,000 bushels, or 225,000,000 bushels less than in 1940. The production of all grains and flaxseed was 292,000,000 bushels less than in the previous year.

Marketings and Exports

During the crop year 1941-42, producers in Western Canada marketed 227,900,000 bushels of wheat as compared with marketings of 456,000,000 bushels during 1940-41, or about one-half of the volume of the preceding crop year. Unusually heavy deliveries in the last few weeks of the crop year materially affected the