

Canadian grains during the later stages of the War is shown by the following statement giving the disappearance of commercial stocks of Canadian grains* for the crop years 1939-40 to 1944-45:

<u>Crop Year</u>	<u>Commercial Disappearance</u>					<u>Total</u>
	<u>Wheat</u>	<u>Oats</u>	<u>Barley</u>	<u>Rye</u>	<u>Flax</u>	
	(million bushels)					
1939-40.....	241	40	23	3	1	308
1940-41.....	273	34	22	4	3	336
1941-42.....	280	33	26	7	5	351
1942-43.....	270	92	63	4	9	438
1943-44.....	428	136	91	9	15	679
1944-45.....	423	141	87	7	8	666

* Including grain shipped to Eastern Canada and British Columbia under the Freight Assistance Policy, but not including all other grain for farm use.

The 1944-45 Grain Program

Wheat.—The wheat program announced by the Federal Government on Sept. 27, 1943, was made effective until July 31, 1945. Only two important changes were made in wheat policy in 1944-45. These changes concerned the supply of wheat for Crown Account and the supply of wheat for the domestic market.

Western Division.—In the regulations covering the operations of the Board for 1944-45 no limitation on deliveries of wheat in the West was stipulated, pending the outcome of the 1944 crop. It was subsequently decided that, in view of expanding market demand and the extent of 1944 production of grains, no over-all limitation on wheat marketings was necessary.

Eastern Division.—On Dec. 2, 1941, a ceiling of \$1.26 per bushel for Ontario winter wheat had been established and prices remained at the ceiling from that date forward. When on Sept. 27, 1943, the fixed initial price of western wheat was increased from 90 cents to \$1.25 the Board, in accordance with Sect. 14 of The Canadian Wheat Board Act, would have felt duty bound to make a corresponding increase in the price of Ontario winter wheat. However, with a ceiling of \$1.26 per bushel basis in store Montreal, it was recognized that there was little justification for Board operation in respect to Ontario winter wheat on the basis of \$1.25 per bushel.

Under the circumstances, the Federal Government provided the following policies applicable to Ontario winter wheat during the crop year 1944-45:—

- (1) The Board was exempted from carrying out its obligations under Sect. 14 of the Canadian Wheat Board Act (Order in Council P.C. 5640, July 31, 1944).
- (2) The Board was charged with the responsibility of maintaining a floor price of \$1.25 per bushel for top grades of Ontario winter wheat, basis in store Montreal (Order in Council P.C. 5640, July 31, 1944).
- (3) The Wartime Prices and Trade Board passed an Order restricting dealers' margins to 3 cents per bushel (Order No. 423, July 27, 1944).
- (4) The Federal Government recognized that Ontario producers, marketing wheat in 1944-45, were entitled to share in export prices obtainable for flour made from Ontario winter wheat to the extent that these prices were in excess of domestic ceiling prices plus forwarding costs. Under Order in Council P.C. 6848, dated Sept. 1, 1944, the Ontario Wheat Flour Equalization Fund was established, and it became the responsibility of the Board to assess equalization fees against Ontario wheat flour sold for export. The equalization fees established by the Board were approximately equivalent to the difference between Canadian prices and export prices for Ontario wheat flour, allowing for necessary forwarding costs. The fee, in practice, was variable, depending upon going export prices. The first Ontario Wheat Flour Equalization Fund was closed on June 30, 1945.