

Myrtle Daly



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A large, stylized yellow wheat stalk is positioned vertically in the center of the cover, serving as a background for the title text.

MONTHLY REVIEW OF THE WHEAT SITUATION

FEBRUARY 1947

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DOMINION BUREAU OF STATISTICS - CANADA
AGRICULTURAL DIVISION

(Issued February 1947)

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WORLD WHEAT SITUATION

World Wheat Supplies Low - At January 1, according to the Office of Foreign Agricultural Relations of the United States Department of Agriculture, the combined wheat supply of the United States, Canada, Argentina and Australia amounted to 1,353 million bushels—the smallest since 1940—and somewhat less than the low level of January 1946. Most of the reduction occurred in the United States and Australian supply, with Canadian stocks showing little change and the Argentine supply a slight increase. The exportable surplus from these supplies is deemed to be considerably below the abnormally large world import requirements for bread grains. Relative to food requirements, the Senior Officer of the International Emergency Food Council is reported to have said recently "The present world food situation is grave—graver than most had thought it would be—only less grave than the situation at this time a year ago. While in the aggregate, the world is eating a little less poorly this winter than last, the betterment is not great. In some countries and areas the food situation is worse. ... We should remember ... that improvement over last year may not mean adequate diets this year, since those of a year ago were so far below the minimum standard for health and welfare."

While January 1 wheat stocks were down from a year ago, there is some encouragement in the fact that total grain supplies in the four principal exporting countries were some 5 per cent above last year's level, chiefly due to the record 1946 United States corn crop. Thus, it has been possible to make some progress in increasing the exports of coarse grains for human consumption in deficit areas where home-grown and imported stocks of bread grains are still insufficient to meet requirements.

North America Moves to Speed Exports - Some weeks ago President Truman set up a special committee to control rail shipping priorities with the object of speeding up grain movement from interior points to the seaboard. Good results have been achieved as witnessed by substantial gains in the rate of export clearances from the United States, although much more is yet to be accomplished if the export goals of that country are to be fully attained.

The success of Canada's export programme, too, has been threatened by a rail transportation crisis, brought about in part by exceedingly bad weather, seasonal accumulation of Canadian cars in the United States and unusually keen competition from other users of box cars. To meet the situation the Government on February 14 gave the Transport Controller power to commandeer box cars over a period of six weeks for the movement of export wheat and feed grain from western Canada. By February 25 the situation was described as "much better" as a result of improved weather conditions and increased clearances from the Prairies. The Transport Controller has stated that feed grains and export wheat will continue to hold priority until minimum requirements are met.

International Wheat Conference to be Held - Copies of a memorandum on the proposed International Wheat Agreement were tabled in the House of Commons on February 18. This memorandum is intended to serve as an agenda for the forthcoming international Wheat Conference to be held in London, England, commencing March 18. A brief resume of the memorandum will be found in the appendix (pp. 21 et. seq.) of this issue of the "Monthly Review".

CANADIAN SITUATION

Canada Increases Price of Wheat for Domestic Consumption - Effective midnight, February 17, the price of wheat sold for domestic consumption was advanced from \$1.25 per bushel to \$1.55 per bushel (plus carrying charges now amounting to 3 1/2 cents per bushel) basis No. 1 Northern in store Fort William-Port Arthur or Vancouver. This places the domestic price on the same basis as that provided in the United Kingdom contract, the increase being in accordance with the Government's policy of progressively reducing price controls in Canada. The immediate effect on Canadian consumers is that the price of western wheat used for feed will be advanced by 33 1/2 cents per bushel. The subsidy to millers is being increased to take care of the price advance, so that current ceiling prices may be maintained on flour, bread, millfeeds and other wheat products.

Amendment to Canadian Wheat Board Act - Speaking to the House of Commons on February 18 to a motion asking the House to go into committee on a resolution dealing with the presenting of a measure to amend the Canadian Wheat Board Act, the Hon. J. A. MacKinnon, Minister of Trade and Commerce, made the following statement:

"Mr. Speaker, the purposes and essential features of the bill to amend the Canadian Wheat Board Act may be briefly described as follows:

It is the desire of the government to have certain of the powers of the Canadian Wheat Board which are at present authorized by order in council continued by Parliament in the form of an amendment to the Canadian Wheat Board Act.

During the war years and since, the Canadian Wheat Board has derived its powers and authority from the Canadian Wheat Board Act, 1935, as amended, and from orders in council passed under the War Measures Act and the National Emergency Transitional Powers Act. In this period the Canadian Wheat Board, at the request of the Dominion Government undertook a series of exceptional operations relating to wheat and other grains. It is not the intention of the Government to extend the powers authorizing such operations in respect to grains other than wheat beyond July 31, 1947.

The bill proposes to provide the Government and the Canadian Wheat Board with more powers than are provided by the present act, but with less power than was provided by order in council.

The general purposes of the proposed amendment to the Canadian Wheat Board Act, 1935, are as follows:

1. To authorize the regulation by the Canadian Wheat Board of the inter-provincial and export trade in wheat for the purpose of meeting the requirements of the wheat contract with the United Kingdom;
2. To make a corresponding adjustment in the pool period in relation to the wheat contract with the United Kingdom;
3. To make necessary changes in the provisions fixing the price to be paid to producers of wheat by the Canadian Wheat Board;
4. To permit the Board with the special approval of the Governor in Council to deal in grains other than wheat.

With respect to wheat, the proposed amendments authorize the regulation of the interprovincial and export trade in wheat by the Board and the conduct of all of such trading through the Board until July 31, 1950. In regard to other grains, the amendment enables the Board, with the approval of the Governor in Council, to buy, sell and deal in other grains.

In addition to making provision for implementing the wheat contract with the United Kingdom, the proposed amendments provide for a five-year pool period from August 1, 1945, until July 31, 1950, during which time producers of wheat are guaranteed a fixed initial price of \$1.35 a bushel."

A debate of several days duration has ensued. On February 25 the bill received second reading.

Supply Position -

Exports of wheat and flour in terms of wheat amounted to approximately 21 million bushels during the month of January, bringing the total for the first six months of the crop year to 110.2 million bushels. During the same period last year 206.6 million bushels of wheat and flour equivalent were exported. An estimated 205.5 million bushels remained on February 1 for export or carry-over at the end of the crop year.

Canadian Wheat Supplies

	<u>1946-47</u>	<u>1945-46</u>
	- million bushels -	
Carry-over in North America July 31	69.9	258.1
New Crop	420.8 <u>1/</u>	318.5 <u>2/</u>
Total Supply	490.7	576.6
Estimated domestic requirements	175.0	167.0 <u>2/</u>
Available for export or carry-over	315.7	409.6
Deduct:		
Overseas Clearances of wheat as grain August 1 - January 31	74.2	169.4
United States imports of Canadian wheat	1.5	9.2
Total wheat exports	75.7	178.6
Exports of wheat flour in terms of wheat August 1 - January 31 .	34.5	28.0
Total exports wheat and wheat flour	110.2	206.6
Balance on February 1 for export or carry-over	205.5	203.0

1/ Subject to revision.

2/ Final estimate.

Farmers' Marketings - The following table shows primary receipts of wheat in the Prairie Provinces for the 1946-47 crop year along with comparative figures for 1945-46:

<u>Week ending</u>		<u>Manitoba</u>	<u>Saskatchewan</u>	<u>Alberta</u>	<u>Total</u>	<u>Last Year</u>
- bushels -						
August	1-8	225,324	396,627	797,492	1,419,443	358,756
	15	665,222	679,789	1,019,934	2,364,945	382,341
	22	1,700,523	2,026,729	1,585,626	5,312,878	1,772,834
	29	5,360,908	7,254,234	1,965,910	14,581,052	7,526,121
September	5	4,993,343	11,916,951	2,733,362	19,643,656	9,045,080
	12	4,653,986	12,712,510	2,283,827	19,650,323	15,644,666
	19	3,986,469	15,047,267	2,838,144	21,871,880	11,828,639
	26	1,892,442	9,173,163	5,246,998	16,312,603	5,443,921
October	3	1,313,287	6,231,719	3,248,141	10,793,147	7,109,789
	10	1,995,033	6,911,412	2,782,356	11,688,801	19,993,367
	17	734,685	4,983,080	6,632,554	12,350,319	24,040,005
	24	1,338,741	8,340,613	8,043,332	17,722,686	15,731,385
November	31	1,756,616	10,128,806	8,218,988	20,104,410	11,603,058
	7	1,246,737	7,731,400	5,989,216	14,967,353	10,510,680
	14	1,058,969	6,499,519	4,925,980	12,484,468	5,352,999
	21	1,044,603	5,411,116	3,505,063	9,960,782	4,740,836
December	28	785,594	2,026,657	1,958,926	4,771,177	4,504,852
	5	733,235	2,006,180	2,072,693	4,812,108	4,957,763
	12	779,599	2,730,715	2,509,304	6,019,618	3,875,418
	19	561,032	1,221,075	1,462,492	3,244,599	2,374,131
January	26	559,641	954,169	1,449,232	2,963,042	2,032,489
	2	313,963	865,717	1,050,774	2,230,454	2,108,312
	9	429,560	805,685	1,547,759	2,783,004	4,687,608
	1/ 16	613,282	1,083,451	2,026,944	3,723,677	4,178,327
February	23	162,835	430,858	1,204,067	1,797,760	2,418,082
	30	233,677	729,581	1,502,475	2,465,733	1,427,216
	6	152,320	387,709	615,159	1,155,188	880,757
	13	77,464	122,907	797,975	998,346	1,017,366
	20	125,755	508,723	1,086,245	1,720,723	1,096,374
Total		39,494,845	129,318,362	81,100,968	249,914,175	186,643,172

1/ Revised.

Up to February 20 of the current crop year farmers in the Prairie Provinces had marketed 249.9 million bushels of wheat as compared with 186.6 million bushels during the corresponding period of the previous crop year. The province of Saskatchewan accounted for 52 per cent of the 1946-47 marketings recorded in the table above, with Alberta and Manitoba supplying 32 per cent and 16 per cent respectively.

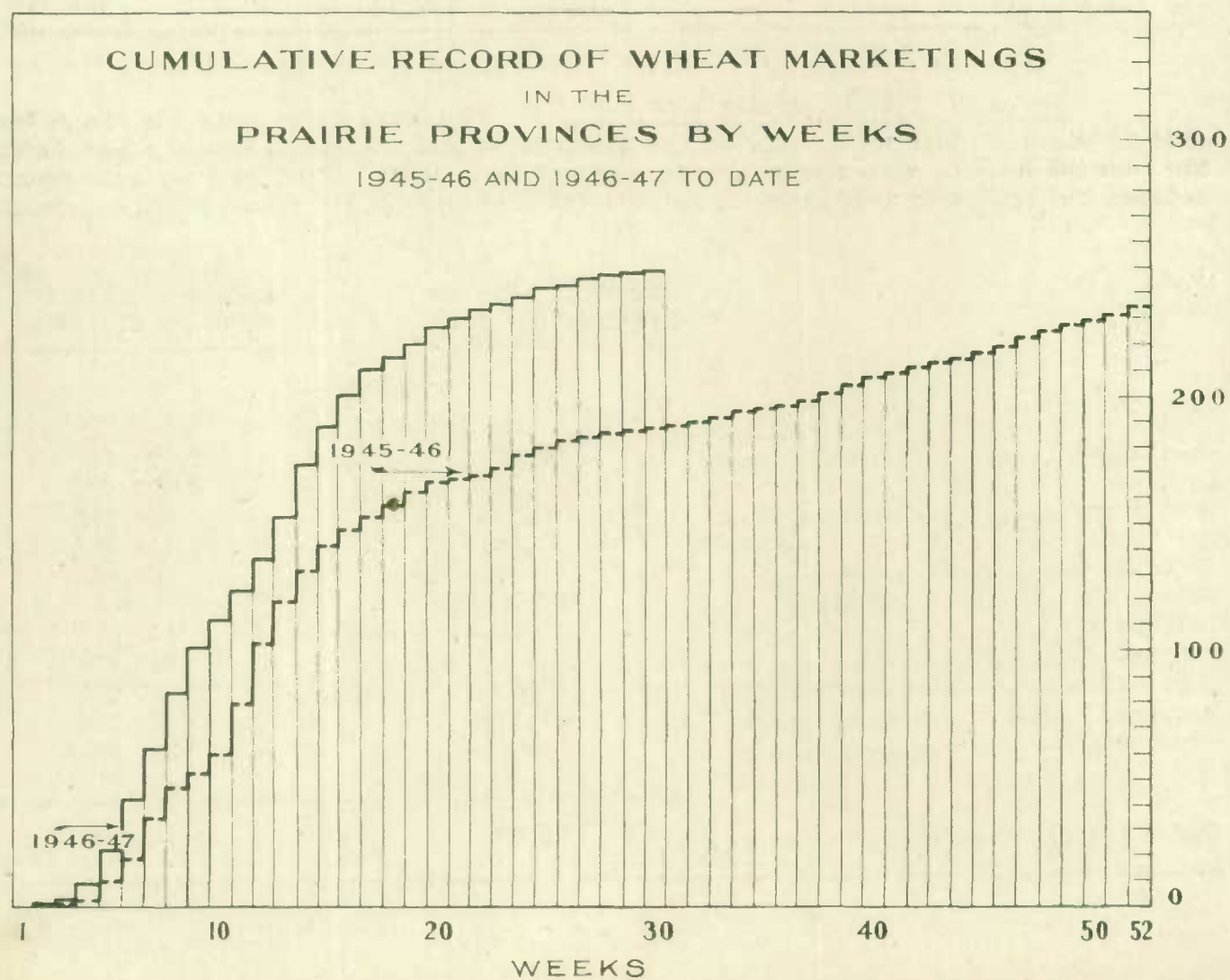
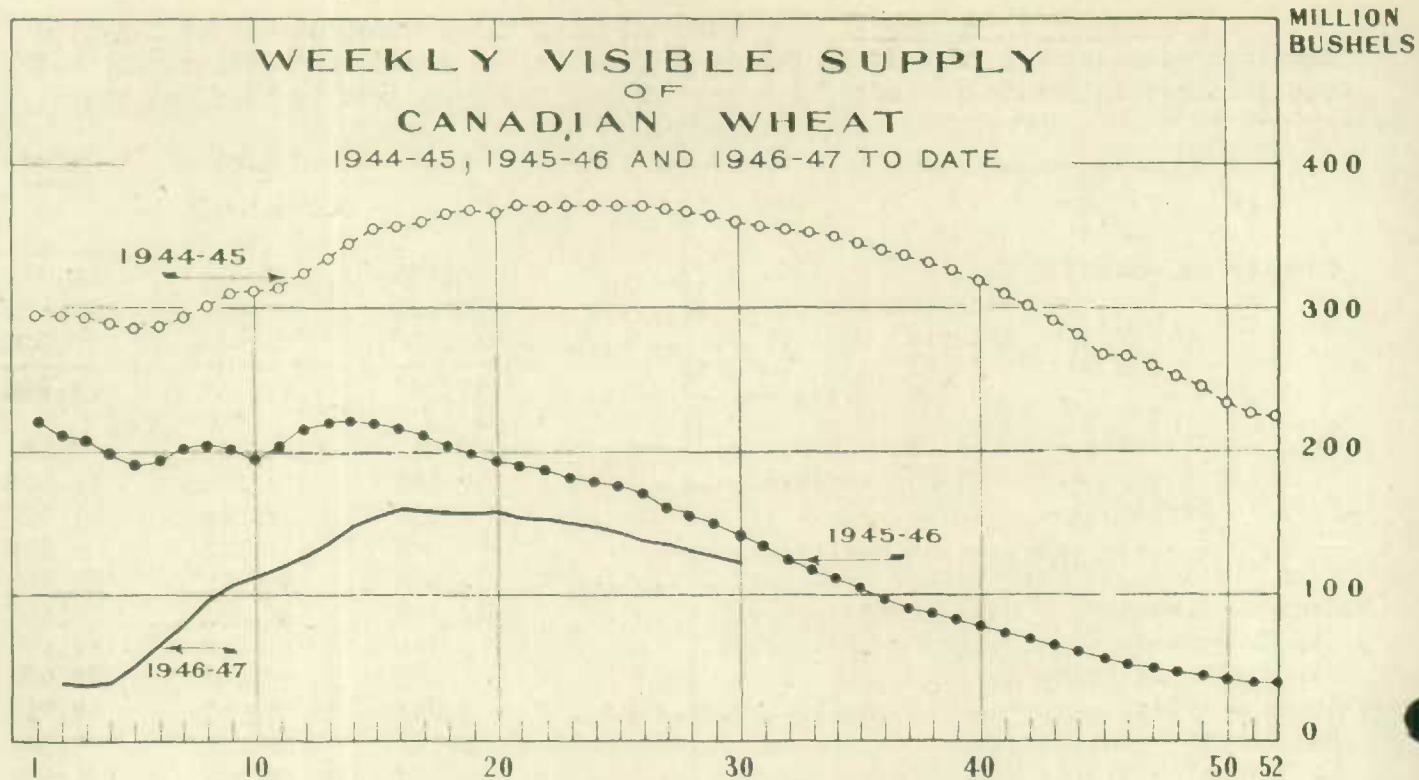
The flow of wheat from farms during the current crop year has been facilitated by the existence of ample country elevator space at the beginning of the season and by the early removal of quotas from all points by the Canadian Wheat Board. In recent weeks, however, severe winter weather has retarded farmers' deliveries and has also seriously hampered the efforts of the railways in moving grain out of country elevators.

Wheat Visible Supply - The following table shows stocks of Canadian wheat in store and in transit in Canada and the United States on February 20, 1947, along with comparative figures for approximately the same date in 1946 and 1945:

	<u>1947</u>	<u>1946</u>	<u>1945</u>
	- 000 bushels -		
Country Elevators - Manitoba	5,725	3,415	18,725
Saskatchewan	34,655	20,845	92,400
Alberta	36,825	22,845	70,300
T o t a l	77,205	47,105	181,425
Interior Private and Mill Elevators	2,460	4,668	5,381
Interior Public and Semi-Public Terminals	165	3,502	11,669
Pacific Ports	2,696	7,544	18,632
Churchill	43	1,878	1,878
Fort William and Port Arthur	13,459	20,710	52,848
Eastern Elevators - Lake Ports	14,709	18,385	27,656
St. Lawrence and Seaboard Ports	1,446	11,517	19,489
United States Ports	656	10,148	25,655
Storage Afloat	4,563	3,850	4,710
In Transit - Rail	4,723	7,162	7,188
In Transit - U.S.A.	15	6,948	6,266
T o t a l	122,140	143,417	362,797

Movement of Wheat to Maritime Ports - The table below sets out the movement of wheat by RAIL from ports on the Great Lakes and the St. Lawrence river during the current season, with comparable figures for last year. The disparity in shipments between the two years continues to reflect the currently tight transportation situation.

	<u>August 1, 1946 to February 20, 1947</u>	<u>August 1, 1945 to February 21, 1946</u>
	- bushels -	
Collingwood	289,578	1,099,955
Midland	3,438,160	4,633,495
Owen Sound	398,736	928,093
Port McNicoll	3,207,494	6,254,567
Goderich	122,658	597,473
Sarnia	1,452,199	-
Walkerville	35,500	195,873
Kingston	-	717,978
Port Colborne	66,100	50,000
Montreal	1,496	44,368
Three Rivers	-	220,000
T o t a l	9,011,921	14,741,802



Grading of Wheat - The following table shows the grading of wheat inspected during the six-month period August to January 1947. Comparable figures for 1946 are also included in the table:

	Inspections			
	August-January 1947		August-January 1946	
	Cars	Per Cent	Cars	Per Cent
No. 1 Northern	13,798	13.2	37,369	32.0
No. 2 Northern	47,861	45.7	46,545	39.8
No. 3 Northern	11,849	11.3	11,047	9.4
No. 4 Northern	2,724	2.6	2,848	2.4
Garnet	482	0.4	1,074	0.9
Amber Durum	2,807	2.7	1,341	1.2
Alberta Winter	1,281	1.2	550	0.5
Tough - All varieties and grades .	19,942	19.0	13,396	11.4
All others	4,054	3.9	2,804	2.4
T o t a l	104,798	100.0	116,974	100.0

The generally lower grading of the 1946 wheat crop relative to the 1945 crop has been further emphasized with the inclusion of January inspections in the data. Only 13.2 per cent of inspections during the August to January period graded No. 1 Northern as compared with a figure of 32.0 per cent in the previous crop year. At the same time, the proportion grading Nos. 2 and 3 Northern amounted to 57.0 this crop year as against 49.2 per cent for the corresponding six-month period in the 1945-46 crop year. The percentage of toughs continues to increase with 19.0 per cent of the August to January inspections falling into this classification. For the same period in 1945-46, the proportion of inspections graded tough ran to 11.4 per cent.

Wheat Shipments to the United States - Shipments of Canadian wheat to the United States between August 1, 1946 and February 20, 1947 have lagged 48.1 million bushels behind the quantity shipped during the same period a year ago. Some 120,000 bushels moved by rail to United States points between January 16 and February 20, 1947. There will, of course, be no further movements by vessel until navigation opens on the Lakes early in the spring.

Shipments August 1 - February 20

	<u>1947</u>	<u>1946</u>
	- bushels -	
<u>By Vessel</u>		
U.S.A. Pacific Ports	-	15,000
Buffalo	8,442,773	47,211,121
Chicago	-	331,494
Erie	2,948,381	6,719,050
Total - Vessel Shipments	11,391,154	54,276,665
<u>By Rail</u>		
U.S.A. Seaboard Ports	327,463	5,476,925
Other U.S.A. Points	15,418	90,101
Total - Rail Shipments	342,881	5,567,026
GRAND TOTAL	11,734,035	59,843,691

Rail Movement from Fort William-Port Arthur - Shipments of wheat by rail from the Lakehead during January 1947 amounted to nearly two and a half million bushels as compared with a movement of over four and a half million bushels in January 1946. Wheat shipments to eastern positions continued to be limited by heavy requirements for box cars in the Western Division for the movement of grain from country elevators and to the Pacific seaboard. Keen competition from other users of box cars, together with the most severe winter weather in years, retarded still further the seasonal eastward rail movement of grains.

Shipments month-by-month during the past four crop years are shown in the following table:

	1946-47	1945-46	1944-45	1943-44
- bushels -				
August	187,825	23,255	91,891	990,879
September	175,773	57,533	169,603	1,547,042
October	255,754	73,776	86,571	780,035
November	256,249	99,197	97,512	711,238
December	1,601,883	2,280,636	1,236,339	898,566
January	2,462,002	4,533,707	1,936,038	4,364,157
February		1,127,764	764,629	4,397,318
March		2,223,266	1,091,909	1,076,193
April		1,015,730	196,042	107,257
May		536,462	66,154	269,533
June		920,233	58,642	108,739
July		130,276	52,726	47,517
Total - 12 months		13,021,835	5,848,056	15,298,474

The grades of wheat shipped during January 1947 and the provincial distribution of this rail movement are shown in the following table:

	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island
- bushels -					
1 Northern	-	-	301,500	-	-
2 Northern	-	-	35,000	270,000	-
3 Northern	-	-	-	3,000	-
4 Northern	40,210	100,633	2,633	1,300	-
No. 5	13,238	12,853	-	-	-
Feed	17,000	5,500	-	1,000	1,000
Tough 2 Northern	-	-	657,000	162,000	-
Tough 3 Northern	-	-	456,500	175,000	-
Tough 4 Northern	25,528	55,267	-	6,633	-
Tough No. 5	3,508	1,520	-	1,233	-
Rejected 4 Northern	14,467	44,133	8,734	7,534	4,400
Rej. 2 Nor. Mxd. Htd.	2,000	1,000	-	-	-
Rej. 4 Nor. Rej. Mxd. Htd. ..	1,000	3,267	-	-	2,266
Damp Sple. Htd.	-	1,143	-	-	-
Smutty 1 Nor.	4,659	-	-	1,500	-
Smutty 2 Nor.	1,409	-	-	-	-
Tf. Smutty 3 Nor.	-	2,267	-	-	-
Tf. 4 C.W. Mixed	-	5,667	-	-	-
3 C.W.A.D.	7,500	-	-	-	-
T o t a l	130,519	233,250	1,461,367	629,200	7,666
GRAND TOTAL	2,462,002				

Freight Assistance Shipments - Claims filed to date for payment on freight assistance shipments of wheat during the first five months of the current crop year indicate that shipments to all provinces, except British Columbia, are down in comparison with shipments for the same period a year ago. However, in connection with the current data particularly, it should be emphasized that the filing of late claims will necessitate upward revisions in the shipment figures. Thus, it may be expected that the actual decline in shipments as between the two years will turn out to be less than the table now indicates. Moreover, if sufficient improvement is effected in the tight transportation situation the rate of feed wheat shipments to deficit areas will, no doubt, increase materially. It will be observed that Ontario, Quebec and British Columbia continue to absorb the major part of the movement, with the Maritimes receiving relatively small amounts of the western wheat shipped under freight assistance.

The provincial distribution of wheat shipments is shown in the following table, by months, with comparative totals for the crop year 1945-46:

1946-47	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	British Columbia	Total
- bushels -							
August.....	574,422	506,587	58,888	71,892	34,130	408,712	1,654,631
September...	415,125	417,457	56,213	74,710	28,571	412,533	1,404,609
October.....	1,078,396	715,213	88,277	73,297	30,250	370,275	2,355,708
November....	1,156,500	939,105	102,128	136,805	55,213	394,908	2,784,659
December ...	717,153	649,953	43,282	87,843	45,757	119,427	1,663,415
T o t a l ..	3,941,596	3,228,315	348,788	444,547	193,921	1,705,855	9,863,022
Same Period 1945-46 ..	5,702,946	4,241,078	464,281	515,131	245,490	1,700,798	12,869,724

Millfeed shipments on which claims have been filed under the freight assistance policy for the period August to December 1946 exceed slightly those recorded for the same period a year ago. It may be anticipated that the filing of late claims will increase the spread still further. Quebec and Ontario continue to absorb the greater share of millfeeds moving under the freight assistance plan.

The provincial distribution of millfeeds under the freight assistance plan is shown for the five eastern provinces in the following table. One column of figures covers the first five months of the present crop year and the other the corresponding period a year ago:

	August 1, 1946 to December 31, 1946	August 1, 1945 to December 31, 1945
- tons -		
Ontario	107,200	101,024
Quebec	132,392	135,082
New Brunswick	23,416	24,452
Nova Scotia	24,250	25,600
Prince Edward Island	6,901	6,875
T o t a l	294,159	293,033

Monthly Overseas Clearances, Etc., in Comparison with the Customs Exports of

Wheat and Wheat Flour

	Overseas Clearances of Canadian Wheat	U. S. Imports ^{1/} of Canadian Wheat for consumption and milling in bond	Customs Exports of Canadian Wheat Flour	Total	Customs Exports of Wheat and Wheat Flour
- 000 bushels -					
<u>1944-45</u>					
August	12,351	9,043	3,391	24,785	19,899
September ...	11,798	8,940	5,470	26,208	32,107
October	15,428	5,758	4,908	26,094	33,624
November	14,658	4,891	4,417	23,966	27,601
December	9,972	2,169	5,591	17,732	32,815
January	14,730	1,413	3,781	19,924	8,944
February	10,858	766	4,642	16,266	11,998
March	13,890	763	5,571	20,224	15,665
April	22,703	2,157	6,154	31,014	21,606
May	39,351	2,499	6,307	48,157	35,432
June	34,366	1,725	7,257	43,348	50,552
July	38,322	1,737	5,168	45,227	43,362
T o t a l ...	238,427	41,861	62,657	342,945	333,605
<u>1945-46</u>					
August	35,358	1,114	4,979	41,451	48,074
September ...	26,645	1,143	4,294	32,082	34,428
October	37,551	1,265	4,789	43,605	36,139
November	29,679	2,139	4,501	36,319	42,817
December	20,163	1,582	4,344	26,089	42,443
January	19,984	1,988	5,125	27,097	20,373
February	19,592	351	5,111	25,054	14,959
March	22,780	587	4,690	28,057	20,075
April	16,220	559	6,651	23,430	20,095
May	15,131	465	7,507	23,103	23,003
June	16,161	754	4,771	21,686	14,718
July	6,471	386	5,275	12,132	18,910
T o t a l ...	265,735	12,333	62,037	340,105	336,034
<u>1946-47 ^{2/}</u>					
August	5,981	227	8,896	15,104	17,339
September ...	10,134	1	5,563	15,698	11,338
October	12,478	437	4,436	17,351	23,653
November	20,494	441	6,156	27,091	23,008
December	10,815	200 ^{3/}	3,248	14,263	17,488
January	14,303	200 ^{3/}	6,209	20,712	20,406
T o t a l ...	74,205	1,506	34,508	110,219	113,232

^{1/} U.S.A. official figures.

^{2/} Subject to revision.

^{3/} Estimate.

Overseas Clearances of Canadian Wheat by Destination, August 1946 to
January 1947 1/ - The following statistics on monthly overseas clearances have been
compiled by the Statistics Branch of the Board of Grain Commissioners:

Destination	December	January	Increase	Decrease	Overseas Clearances Aug.-Jan.
<u>BRITISH EMPIRE</u> - bushels -					
Gr. Britain & Nor. Ire.	8,511,254	12,753,608	4,242,354	-	53,105,467
Eire	-	-	-	-	1,244,391
<u>Africa</u>					
British South Africa ..	-	-	-	-	1,708,645
<u>Asia</u>					
India	-	-	-	-	2,008,905
<u>Europe</u>					
Malta	-	362,133	362,133	-	1,084,564
<u>North America</u>					
Barbados	-	-	-	-	1,000
Jamaica	1,788 4/	2,717	929	-	14,448
St. Vincent	-	1	1	-	3
Trinidad	-	364	364	-	2,774
Other Br. W. Indies ...	-	-	-	-	2,291
TOTAL BRITISH EMPIRE ...	8,513,042 4/	13,118,823	4,605,781	-	59,172,488
<u>FOREIGN COUNTRIES</u>					
<u>Africa</u>					
Egypt 2/.....	655,810	668,000	12,190	-	3,777,433
<u>Asia</u>					
Iraq-Iran 3/.....	-	-	-	-	632,573
<u>Europe</u>					
Belgium	515,193	-	-	515,193	2,617,002*
France	-	-	-	-	325,126
Greece	-	14,933	14,933	-	14,933*
Netherlands	336,000	-	-	336,000	2,681,977
Norway	224,000	-	-	224,000	1,441,721
Portugal	329,276	-	-	329,276	655,176
Switzerland	-	-	-	-	1,009,702
<u>North America</u>					
Costa Rica	-	33,333	33,333	-	33,333
Cuba	-	3,619	3,619	-	3,619*
Dominican Republic ...	6,674	-	-	6,674	10,011
Honduras	-	10,000	10,000	-	10,000
Salvador	-	16,667	16,667	-	16,667
<u>South America</u>					
Brazil	-	18,666	18,666	-	1,061,898*
Chile	-	-	-	-	37,437
Colombia	235,013	89,802	-	145,211	360,926*
Ecuador	166	-	-	166	14,666
Peru	-	328,533	328,533	-	328,533
TOTAL FOREIGN COUNTRIES..	2,302,132	1,183,553		1,118,579	15,032,733
GRAND TOTAL EXPORTED ...	10,815,174 4/	14,302,376	3,487,202		74,205,221

1/ Compiled on Ocean Bill of Lading Basis with exception of August Exports (U.K., Iraq and Iran) which were prepared from dates grain actually loaded on vessel or transferred from elevator to sacking bin.

2/ Discharged at the Port of Alexandria for distribution in the Red Sea Area under London Food Council Program.

3/ Distributed under London Food Council Program in the Persian Gulf Area.

4/ Revised.

* Includes seed wheat to the following countries: Belgium 33,593; Greece 14,933; Cuba 3,619; Brazil 18,666; Colombia 177,208.

Current Wheat Prices - The table below sets out the weekly averages of both domestic and export prices of western Canadian wheat for the weeks ending January 25 through February 22. The increase in the average prices for the week ending February 22 of Class I wheat for domestic use reflects the change effective February 18, whereby the price to domestic users of wheat was advanced 30 cents per bushel. The price of Class II wheat for export to the United Kingdom remains unchanged, while prices of Class II wheat for export to countries other than the United Kingdom continue to fluctuate in sympathy with price changes on the principal United States wheat markets.

Average Prices for the weeks ending -					
	Jan. 25	Feb. 1	Feb. 8	Feb. 15	Feb. 22
- cents and eighths per bushel -					
<u>Wheat 1/</u>					
(1) Class I Domestic					
(A) Domestic Use					
1 Hard	125	125	125	125	150
1 Northern	125	125	125	125	150
2 Northern	122	122	122	122	147
3 Northern	120	120	120	120	145
4 Northern	115	115	115	115	140
Number 5	112	112	112	112	137
Number 6	108	108	108	108	133
Feed	106	106	106	106	131
1 C. W. Garnet	120	120	120	120	145
2 C. W. Garnet	118	118	118	118	143
3 C. W. Garnet	116	116	116	116	141
1 Alberta Red Winter ...	135	135	135	135	160
2 Alberta Winter	134	134	134	134	159
3 Alberta Winter	131	131	131	131	156
1 C. W. Amber Durum	135	135	135	135	160
2 C. W. Amber Durum	132	132	132	132	157
3 C. W. Amber Durum	130	130	130	130	155
(B) Country Points - 10 cents per bushel above Schedule A for Feb. 17. 20 cents per bushel under Schedule A for Feb. 18-22.					
(2) Class II Export					
(A) United Kingdom					
1 Hard	155	155	155	155	155
1 Northern	155	155	155	155	155
2 Northern	152	152	152	152	152
3 Northern	150	150	150	150	150
(B) Commercial					
1 Hard	227/1	229/3	238	244	249/5
1 Northern	227/1	229/3	238	244	249/5
2 Northern	224/1	226/3	235	241	246/5
3 Northern	222/1	224/3	233	239	244/5
1 C. W. Amber Durum	237/1	239/3	248	254	259/5
2 C. W. Amber Durum	234/1	236/3	245	251	256/5
3 C. W. Amber Durum	232/1	234/3	243	249	254/5

1/ Price - Basis in store Fort William-Port Arthur and Vancouver.

Changes in Domestic Wheat Policy Announced - On February 17 the

Hon. J. A. MacKinnon, Minister of Trade and Commerce announced that the domestic price of wheat was to be increased effective midnight February 17 from \$1.25 per bushel to \$1.55 per bushel, plus carrying charges (which are currently 3 1/2 cents per bushel) basis No. 1 Northern in store Fort William-Port Arthur. The Minister also stated that the subsidy to millers would be increased accordingly so that the prevailing ceiling prices on flour, bread, millfeeds and other wheat products would not be affected by the increase in the domestic price of wheat. The main effect of the change is to increase the price of western wheat used for feed in Canada by 33 1/2 cents per bushel. The Minister also informed the House that as of February 17, the Canadian Wheat Board was establishing open delivery quotas for oats and barley for the remainder of the crop year. The Minister's announcement is quoted in full herewith:

"Mr. Speaker, I have an announcement to make at this time with regard to wheat policy. In doing so I am speaking for my colleague the Minister of Finance as well as for myself, and I am also referring to matters that come more particularly under the jurisdiction of my colleague the Minister of Agriculture.

As an important element in price control, the government, through the Wartime Prices and Trade Board, has maintained maximum prices for wheat products milled and sold in Canada for human consumption. This programme has been in effect since August 1, 1942.

These ceiling prices, very important from the standpoint of living costs during and since the war, could only be maintained if wheat were provided to processors on the basis of prices existing in the base period in the fall of 1941. It was established that the highest cash price of western wheat during the base period was 77 3/8 cents per bushel for No. 1 Northern wheat in store Fort William-Port Arthur. Effective on August 1, 1942, when the Board's fixed initial price was increased to 90 cents per bushel, the government provided for a drawback to be paid to mills and other processors of wheat for consumption in Canada. This drawback was the equivalent of the difference between the basic price of 77 3/8 cents per bushel and the monthly average price for western wheat. Since September 1943, the drawback has been based upon the difference between 77 3/8 cents per bushel and the prevailing domestic price of \$1.25 per bushel.

On September 27, 1943, trading was suspended on the Winnipeg futures market and the government, through the Canadian Wheat Board, took over all unsold stocks of wheat in commercial positions. This wheat became the property of the government with no further producer interest. These crown stocks, amounting to nearly 300 million bushels, were then used for mutual aid purposes and wheat for the domestic market. They were disposed of at approximately the prices at which they were acquired. These crown stocks lasted until January 1945. In acquiring additional supplies of wheat for mutual aid purposes early in 1945 the government paid the Board's current commercial price, which was \$1.46 per bushel, less an allowance for carrying charges. At that time, however, the government felt that over-all price control in Canada required the establishment of a domestic wheat price. Consequently the Canadian Wheat Board was directed to make wheat available for domestic consumption at \$1.25 per bushel which was the fixed initial price being paid to western producers. The government continued to absorb carrying charges on domestic wheat and continued the drawback to processors to maintain the basic price of 77 3/8 cents per bushel. This arrangement has continued up to the present time.

This part of price control has involved the expenditure of public funds. Drawbacks paid to processors of wheat products sold in Canada have for the past three years, been running at the rate of \$18,000,000 to \$20,000,000 per year. Under the system in effect since August 1, 1943, millers and other manufacturers of wheat products have been required to refund all drawback which would have put them into the excess profits category.

The field of price control in Canada is being progressively narrowed and the government is of the opinion that the Canadian Wheat Board should no longer be required to sell wheat for domestic consumption at \$1.25 per bushel. Accordingly the government has decided that wheat shall be sold for domestic consumption on the same basis as provided in the United Kingdom contract. The government has therefore directed the Canadian Wheat Board to advance the domestic price of wheat to \$1.55 per bushel plus carrying charges. This direction is effective at once.

I wish to state explicitly that prevailing ceiling prices on flour, bread, millfeeds and other wheat products are not affected by this change in the Board's selling price of wheat for domestic consumption. The government, through the treasury, will continue as in the past to make wheat available to millers and other processors at prices appropriate to these ceilings. The government regards this continuation of price ceilings on flour, bread and other wheat products as a necessary part of its programme of orderly decontrol.

The feed wheat subsidy of 25 cents per bushel is being continued, but the increase in price to \$1.55 per bushel plus carrying charges will mean an increase of slightly over 30 cents per bushel in wheat used for feed in Canada. Because of the continued overseas demand for wheat for human food, the government feels that as far as possible grains other than wheat should be used for feed purposes in this country.

I should like also to announce at this time that the Canadian Wheat Board is today establishing open delivery quotas for oats and barley, effective immediately for the remainder of the crop year."

Emergency Steps Taken to Speed Grain Movement - Grain movements both for domestic use and for export have lagged so seriously in recent weeks that on February 14, the government gave the Transport Controller, Mr. B. S. Liberty, power to commandeer box cars for the movement of export wheat and feed grains from western Canada, the measure to be effective for six weeks. Severe weather conditions, a seasonal accumulation of Canadian box cars in the United States and keen demand by competing users of box cars are among the factors which have contributed to the tight transport situation. The cars obtained under the priority will be used to ship export grain to both Atlantic and Pacific ports; to transport grain to the Lakehead to await the opening of navigation, and to move much-needed feed grains from western Canada into deficit areas.

On February 21, the Minister of Transport, Mr. Lionel Chevrier, stated the shortage of railway rolling stock was "very acute" and added that "the Transport Controller, in conjunction with the railways, has given instructions to distribute box cars as equitably as possible among the various commodities, and is doing his very best to see that no industries will close down in the emergency." By February 25 the Transport Controller described the box-car situation as much better, as a result of improved weather conditions and increased clearances from the Prairies. However, he said the situation would remain tight for some time.

Flour Milling Situation - During the first six months of the current crop year wheat flour production amounted to 14,165,710 barrels, exceeding the output for the same period of the previous crop year by over a million barrels. Should it prove possible to maintain the current level of milling, a new record will be set in 1946-47 for the production of Canadian wheat flour.

During January 1947 the mills turned out 2,477,865 barrels of flour. Mills reporting operations for January had a total rated milling capacity of 92,470 barrels per 24-hour day, and on the basis of a 26-day working period in the month 103.1 per cent of the rated capacity was effective. This percentage is a near-record high and indicates that at least some mills are operating more than the customary number of days per month.

Exports of wheat flour (data based on Customs returns) during the first half of the present season amounted to 7,668,339 barrels as compared with 6,229,350 barrels for the same period in 1945-46.

In the following table the record of production and exports during the past nine years is shown, together with statistics for the first six months of the current crop year.

Production and Exports of Wheat Flour
(barrels of 196 pounds)

<u>Crop Year</u>	<u>Production</u>	<u>Exports</u>
1937-38	12,867,728	3,609,656
1938-39	15,197,297	4,604,245
1939-40	17,778,311	6,781,367
1940-41	19,575,833	10,288,827
1941-42	19,905,741	10,205,778
1942-43	23,590,516	12,575,215
1943-44	24,303,833	13,464,371
1944-45	24,634,905	13,923,832
1945-46	26,435,341	13,786,177
1946-47 August	2,158,627	1,977,008
September	2,227,748	1,236,125
October	2,432,875	985,726
November	2,518,555	1,368,060
December	2,350,040	721,744
January	2,477,865	1,379,676
Total - 6 months	14,165,710	7,668,339
Same Period 1945-46	12,988,189	6,229,350

UNITED STATES SITUATION

Wheat Prices Expected to Remain High in Immediate Future - On February 3 the Extension Service of the Kansas State College summarized the United States wheat situation as follows.

"Smaller stocks of wheat than a year ago and a program calling for increased exports indicate higher wheat prices. The Department of Agriculture has announced that the original goal of exports of 400 million bushels of all grains is to be accomplished by March 31 and that an additional 150 million bushels may be shipped during the last three months of the season. To reach the goal of 400 million bushels by March 31, it will be necessary to ship approximately 70 million bushels per month during January, February, and March. This would be at a rate of about two and one-half times the rate of the first six months of this season. Grain is available to meet this goal, but it is doubtful if transportation facilities are sufficient to permit the movement of this quantity.

In addition to the export requirements, domestic demand for wheat may increase during the next few weeks. Buying of flour for domestic consumption has been postponed in expectation of easing of prices. Total stocks in all positions were 643 million bushels compared to 689 on January 1, 1946. Movement of wheat from farms was large during January, but this movement probably will decline within a short period. A higher price may be necessary to draw wheat from farms in quantities sufficient to meet both domestic and export demands during the next two months."

January Grain Exports Total 1,200,000 Long Tons - "The United States Department of Agriculture has estimated that 1,200,000 long tons (46,500,000 bushels) of United States grain and grain products were exported in January. The January exports raised the total for the 7 months, July through January, to 6,237,000 long tons (243,292,000 bushels, of which 197,418,000 bushels were wheat and flour equivalent). About two-thirds of the 7-months total were exported by the Production and Marketing Administration, and the remainder through commercial trade channels. The January exports of U. S. grain and grain products included (in terms of whole grain equivalent) 493,000 tons of wheat, 400,000 tons of flour and 307,000 tons of corn and other grains. Principal recipients were the Occupied Zones in Europe and Asia, about 525,000 long tons; and UNRRA countries, 170,000 long tons. Cash paying governments received the remainder."

Flour Production in December Sets New Record - Flour mills reported the production in December of 26.2 million sacks, an all-time high, according to the Bureau of the Census. This was the third time during 1946 that a new record was established. The previous times were in January and October when respective totals of 25.6 million and 26.1 million sacks were reported. Production in November was 25.0 million sacks. These figures were reported by about 1,100 mills which are believed to account for 98 per cent of the current total wheat flour production in the United States.

Chicago Cash Wheat -

Offerings of cash wheat on the Chicago market have remained sporadic. The spot market has been strong but inactive with prices quoted being mostly nominal and following March futures. The Weekly Grain Market Review issued by the Production and Marketing Administration reports two cars sold on the Chicago spot market in the week ending February 21. One car of No. 4 Northern Spring sold for \$2.30 and one car of No. 2 Hard Winter sold at \$2.35. The Commodity Credit Corporation has bought some wheat during the month, principally in Kansas City and the Pacific Northwest and this, together with milling demands for wheat for domestic and export flour, has resulted in a very tight cash wheat market throughout the country.

The following are the daily cash prices by grades on the Chicago market:

January 28, 1947	.....	None	
29	.....	None	
30	.....	1 Hard	220
31	.....	2 Mixed	218
February 1	.....	S. G. Red	210
3	.....	2 Mixed	221
4	.....	None	
5	.....	2 Red Smutty	230
6	.....	2 Hard	224
7	.....	2 Red	236
8	.....	None	
10	.....	2 Red	236
11	.....	None	
12	.....	Lincoln's Birthday	
13	.....	None	
14	.....	1 Red	239
15	.....	None	
17	.....	None	
18	.....	None	
19	.....	None	
20	.....	None	
21	.....	None	
22	.....	Washington's Birthday	
24	.....	None	

Chicago Wheat Futures - Both nearby and deferred futures on the Chicago market have made substantial gains during the month with March reaching the highest point for futures since April 1917. Cash wheat after World War I reached a price of \$3.50 per bushel, but at that time the futures market was closed. Demand for old-crop wheat has remained high with the Production and Marketing Administration purchasing large quantities of flour. Among factors strengthening the deferred months were the high prices for cash wheat, uncertainty over the condition of the new crop in the south-west, continued unfavourable weather and crop news in Europe, and the likelihood of a small carry-over of old wheat in the United States at the end of the current crop year. In addition, there is a general feeling that foreign demands will continue strong through next season.

The following are the high points of closing in the wheat futures market at Chicago for the various contract months:

	<u>March</u>	<u>May</u>	<u>July</u>	<u>September</u>
	- cents and eighths per bushel -			
January 28, 1947	210	194/7	178/4	174/4
29	211/6	196	180	176
30	212/5	196/6	180/7	177
31	215	198/3	183	179/2
February 1	216/5	199/4	184	180/4
3	217/7	201/2	186/4	182/6
4	218	201/2	186/2	182
5	217/4	200/5	184/5	180/5
6	219/4	204	187/1	182/6
7	219/2	205	188/1	184
8	219/5	206/1	189/2	185/3
10	220	207	188/5	184/5
11	220/7	207/2	187/5	183/6
12		Lincoln's	Birthday	
13	222/6	208/5	188/2	183/6
14	226/2	212/2	189/2	184
15	233/4	219/6	192/4	185/6
17	235	224/4	193/4	185/2
18	234/4	224/2	196/5	189/4
19	232/6	223	198/6	192/4
20	232/2	222/6	198/6	193/4
21	232/2	222/6	200/4	195
22		Washington's	Birthday	
24	236/6	227	206/4	202

ARGENTINE SITUATION

Argentina Contracts to Supply Grain to Switzerland - The Office of Foreign Agricultural Relations of the United States Department of Agriculture reports that "Under the terms of the latest in a series of long-term trade agreements involving grains, Switzerland will purchase specified quantities of grains from Argentina between 1947 and 1951. In return for agricultural products, Switzerland is to supply machinery and other manufactured goods. The agreement, signed January 20, is subject to ratification by both Governments. Recently Argentina entered into similar agreements with Spain and Brazil.

Assuming available Argentine export surpluses, specified quantities of grain are to be purchased by Switzerland. Wheat involved is 100,000 to 250,000 metric tons (3.7—9.2 million bushels) for each of the 5 years. The agreement provides for purchase of the equivalent of 4.7 million bushels of corn in 1947 and 3.9 million bushels annually for the remaining 4 years of the period. Oats purchases for 1947 are placed at about 10.3 million bushels with about 6.9 million for each of the succeeding years. Provision is made for about 800,000 bushels of rye annually. Among the other products covered are 50,000 short tons of oilseed cake.

In case of the above amounts not being available for export, specified percentages of the export surplus are to be made available to the Swiss. If the products are available at lower prices elsewhere the Swiss may purchase requirements from other sources provided they first advise the Argentine Trade Promotion Institute, through which agency deliveries are normally made."

In addition to the agreement mentioned above it is reported that negotiations have been completed by Uruguay for the purchase of 6 million bushels of wheat. There are also unconfirmed reports regarding sales agreements reached with Chile, Italy and the United Kingdom.

Locusts Threaten Damage to Corn Crop - According to Broomhall, renewed reports of locust depredations in Cordoba late last week have clouded otherwise very favourable conditions for the growing corn crop. Extent of the damage has not been indicated but about this time last year locusts made heavy inroads into the corn crop and it is feared that this performance may be duplicated. The acreage seeded to corn has been dwindling over the past several years and any appreciable locust damage would mean another below normal crop.

AUSTRALIAN SITUATION

A cable received from the Canadian Government Trade Commissioner in Melbourne, Australia, under date of February 18 states that "Australian wheat stocks at February 8th totalled 96 million bushels. Latest official estimate for 1946-47 crop 116.8 million bushels from 12.4 million acres. Deliveries to Australian Wheat Board of new season's wheat will probably total 98 million bushels, of this about 60 million bushels will be used for Australian consumption leaving about 38 million bushels for export. Export price of wheat has been increased to 14 shillings six-pence per bushel for bulk. Drought in New South Wales and Queensland necessitated the movement of approximately 20 million bushels of wheat from Victoria, South-Australia and West-Australia. It is likely that the Wheat Stabilization Plan as outlined in our January 1946 cable will be abandoned due to lack of support by the States. Exports of wheat during January totalled 17,425 long tons to New Zealand and Ceylon and flour 49,673 long tons mostly to New Zealand, Pacific Islands, Malaya and Ceylon. The objective for 1947-48 wheat crop is reported to be 15 1/2 million acres."

CALENDAR OF WHEAT EVENTS

- January 29 Reports emphasize the poor condition of winter crops in many parts of Europe. Cold temperatures combined with sparse snow cover are said to have done considerable damage, particularly in France, Italy and parts of Russia.
- February 4 The Australian wheat crop is officially placed at 116,792,000 bushels from a seeded area of 12,371,000 acres. This is the fourth small crop in succession for Australia.
- 5 A cold wave accompanied by dust storms has spread into southwestern areas of the United States. Some damage to winter grains is anticipated.
 - 10 Broomhall reports that low temperatures still prevailed over most of Europe at the close of the week but that recent snows had provided badly needed protection and will provide welcome moisture this spring. However, reports continue to indicate that very unfavourable conditions during much of December and January probably took considerable toll of crops in some countries, the extent of which can only be determined when crops start to grow this spring.
 - 14 To meet a threatening crisis in freight transportation the Canadian government has set up a priority effective for six weeks on boxcars for shipments of export wheat and feed grains from western Canada.
 - 17 "Foreign Crops and Markets" reports that the Argentine corn acreage planted in the latter part of 1946 is placed at 9,533,000 acres, according to the first official estimate. At that figure the acreage would be the smallest planted since 1924. The present estimate is slightly smaller than the acreage of the two preceding years, but is only about half the record planting in 1935. The small acreage estimate was disappointing, since early trade forecasts had pointed to an increase of as much as 15 per cent over last year's plantings. The domestic price of western Canadian wheat was increased, effective midnight, February 17, from \$1.25 per bushel plus carrying charges (which are currently 3½ cents per bushel) basis No. 1 Northern in store Fort William-Port Arthur or Vancouver. The main effect on Canadian consumers is that the price of western wheat for feed will advance by 33½ cents per bushel. Present ceiling prices will remain in effect for flour, bread, millfeeds and other wheat products,- the subsidy to millers being increased to take care of the higher wheat price.
 - 18 Copies of a memorandum concerning the proposed international wheat agreement intended to serve as an agenda for the forthcoming international wheat conference commencing in London on March 18 were tabled in the House of Commons.
 - 20 Third reading was given in the House of Commons to bill No. 4 to amend the Canada Grain Act by incorporating the provisions of certain Orders in Council. Main feature of the bill is the fixing of the time limit between the weigh-overs of grain in elevators.
 - 25 After lengthy debate, bill No. 23, an Act to amend the Wheat Board Act of 1935 was read the second time and the House went into committee thereon. The general purpose of the proposed amendments are briefly presented elsewhere in this issue of the Monthly Review.
- Broomhall reports a large part of the continent is still experiencing severe night frosts and while many sections are still provided with a protective snow blanket some areas lack cover.

APPENDIX

Resume of Memorandum on the Proposed International Wheat Agreement - The following resume has been adapted from an excellent summary released by the United States Department of Agriculture:

On February 18 the International Wheat Council published the text of a draft memorandum, which will serve as the basis for discussion of a proposed international wheat agreement in a conference opening March 18, in London (the conference being convened by the United States Government in accordance with the provisions of paragraph 3 of the Memorandum of Agreement approved in June, 1942). This draft memorandum does not constitute an agreement nor bind any government at this stage.

"This new draft is intended to replace the draft convention drawn up in 1942 by the Governments of Argentina, Australia, Canada, the United Kingdom and the United States. The full consummation and implementation of the earlier agreement was deferred, pending further study in the light of postwar conditions. Since then the International Wheat Council has expanded to include major wheat importing as well as exporting countries, and is now composed of representatives of the Governments of Argentina, Australia, Belgium, Brazil, Canada, China, Denmark, France, India, Italy, the Netherlands, the United Kingdom and the United States.

The present draft memorandum to be considered in London is designed to facilitate the achievement of the following objectives: (1) stable international wheat prices fair both to consumers and producers; (2) adequate wheat supplies for world consumption at all times; (3) establishment of wheat reserves through national stocks to ensure against crop failure, famine, or other contingencies; (4) avoidance of the accumulation of burdensome wheat surpluses; (5) security for efficient wheat producers, and encouragement of the use of areas unsuited to wheat production for more suitable products; (6) increased opportunities for satisfying world wheat requirements from sources from which such requirements can be supplied most effectively; (7) promotion of increased wheat consumption, paying particular attention to the nutritional programs of signatory governments.

Under the provisions of the draft memorandum, any country with a substantial interest in international wheat trade may participate initially in the agreement, and the International Wheat Council will decide on terms on which other countries might participate. Countries may participate in the agreement either as wheat importers or exporters.

The agreement would become effective August 1, 1947 if Argentina, Australia, Canada, the United States and importing countries (including the United Kingdom) with imports totaling 400 million bushels have joined, or, as an alternative suggestion, if any three of the four principal wheat exporters and six importers (including the United Kingdom) with imports sufficient to ensure satisfactory operation of the agreement have joined.

Alternative suggestions are made that the agreement's duration be for (a) four years, and (b) five years. The agreement's renewal would be negotiated six months before expiration, and modification might be agreed upon after 2 1/2 years if circumstances change. The Council reached no final decision regarding action in case of breach of agreement. Participating countries would be permitted to withdraw from the agreement in case of war and possibly under certain conditions yet to be fully agreed upon.

Three plans regarding price ranges governing Canadian wheat have been suggested. These are: Plan A--\$1.25 to \$1.55 (Canadian) a bushel for No. 1 Manitoba Northern Wheat at Ft. William-Port Arthur or Vancouver.

Plan B--\$1.25 to \$1.55 (Canadian) for three years, \$1.00 to \$1.55 for rest of period of the agreement.

Plan C--\$1.25 to \$1.80 (Canadian) for three years, \$1.00 to \$1.55 for rest of period.

One of the countries represented in the Council has requested that a provision be inserted permitting change in the price range in case of serious change in the supply and demand situation with due consideration of (a) trade trends, (b) stock levels, (c) sustained use of quotas or allocations, (d) surplus disposal operations, and (e) domestic production policies.

Price equivalents for Argentine, Australian and United States wheat would be adjusted when the need arises. It is estimated that at present the United States equivalent to the \$1.25 and \$1.55 Canadian prices would be \$1.25 and \$1.55 (U.S.) a bushel for No. 1 Heavy Dark Northern Spring wheat at Duluth, and \$1.16 and \$1.46 (U.S.) a bushel for No. 2 Hard Winter wheat in store at Kansas City.

Initial prices for other exporters would be determined by an Executive Committee of the Council in consultation with the Governments concerned. The Executive Committee also would determine grade differentials, in consultation with exporters.

The draft memorandum provides for the fixing of minimum and maximum carry-over stocks of old wheat for all signatory countries. It provides also for the importing of wheat by importing countries up to certain quantities, in cases where an exporter has accumulated maximum stocks. The wheat thus imported would be stored until prices have risen to within a certain margin—not yet decided upon—of the ceiling. Escape clauses would be provided for importers in exchange difficulties, and for exporters seeking to reduce stocks below the minimum in case of crop failure if needed to satisfy domestic requirements, and for exports, with the consent of the Council.

Provision is made for export programs to be determined annually in July, and revised the following January, or at any other time the Council deems it necessary. It is suggested that, up to 500-million bushels, the world export market be shared on the basis of percentages established in the 1942 agreement (Argentina 25, Australia 19, Canada 40, U.S. 16 per cent), with allowances for smaller exporters. What remains unallocated of the total expected exports would be divided among exporters on the basis of all relevant considerations, including opportunities to satisfy requirements from countries which can meet them most effectively, the stock position of exporters, and the balance-of-payments position both of exporters and importers. Should it be found that, owing to practical difficulties of closely controlling shipments, exports from any signatory country have exceeded its export quota, that country shall not be deemed to have infringed the provisions of the agreement so long as the excess is not more than 5 per cent of its export program, but the amount of that excess up to 3 per cent of its program and three times the amount of that excess above 3 per cent of its program shall be deducted from that country's export program for the following export-program year. Under one alternative plan, export programs would be binding when wheat prices drop to 110 per cent of the floor; under another, export programs would be calculated and put into operation only after decision by a majority vote of the Council.

Importing countries, the draft memorandum provides, would agree to import minimum quantities, with exporting countries giving importers the first refusal of any export wheat. If participation in the agreement were limited, importers would be free to purchase wheat from non-members up to certain percentages. •

Production and marketing management is provided for under the draft memorandum to keep world stocks of wheat within agreed limits, certain excess stocks would be permissible, however, for surplus disposal purposes. Importers would undertake, under certain conditions, (a) to import certain quantities in addition to their minimum requirements or (b) not to support domestic prices above the equivalent of import prices, or (c) limit wheat production to the volume in a base period.

The draft memorandum makes provision for sales of wheat by exporters at special prices. Exporters are to be permitted to sell at special prices with the Council's approval for F.A.O. approved nutrition programs abroad, but prices to commercial importers are not to be increased because of such sales. Countries buying at special prices would be expected to prevent commercial re-sale of wheat bought at special prices, to maintain their usual commercial wheat imports, and to pass special price benefits on to consumers, and not to export wheat. Escape clauses are to be provided in special-price contracts, allowing for crop failure or scarcity. The United Kingdom has stated it would wish to have a provision inserted in the agreement providing for downward revision within 12 months of the floor price of any country selling at special prices, but other countries have opposed this.

It is proposed that each Government have one member representative (voting strength undecided) on the International Wheat Council. The Food and Agriculture Organization and the International Trade Organization would each have one non-voting representative. Provided that each Government shall adhere as the Government of an exporting or of an importing country, the total votes of the exporting and of the importing countries would be equal, and all decisions would be by simple majority, except as otherwise provided.

An Executive Committee is provided for, to determine and adjust equivalents to basic prices, and carry out functions delegated to it by the Council. An Advisory Committee also has been suggested to advise the Council regarding prices, stocks, export programs, import needs and similar matters."

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