

importing countries with the Canadian Government. Pursuant to this decision, the Board's Crown Wheat Account was closed out as at the close of business on Sept. 1, 1945.

Special Conservation and Export Program.—On Mar. 18, 1946, the Prime Minister, the Rt. Hon. W. L. Mackenzie King announced a special program designed, in part, to reduce the consumption of breadstuffs in Canada and to facilitate the export of wheat and wheat flour to meet an "urgent and desperate" food situation abroad. Of particular importance to the wheat situation in Canada was the announcement of the intention of the Federal Government to:—

- (1) Reduce wheat available for domestic milling by 10 p.c. as compared with the corresponding months of 1945;
- (2) Reduce the use of wheat for distilling by 50 p.c. as compared with the year previous;
- (3) Encourage reduction in inventories of wheat and wheat products;
- (4) Grant priorities for rail transportation of wheat for export;
- (5) Provide for the release of increased quantities of oats and No. 4 Northern wheat for export;
- (6) Provide special arrangements to encourage immediate delivery of wheat stored on farms.

The provisions as outlined above were carried out during the crop year; with respect to Item No. 6, the Federal Government on Mar. 18, 1946, announced a special income tax arrangement whereby producers who marketed wheat during the period Apr. 1, 1946 to June 30, 1946, could, if they so desired, take cash settlement at their option in 1946, 1947 or 1948. The date of accepting settlement determined the year in which the payment was to apply for income tax purposes. A total of 8,944,453 bushels were delivered to the Board under this arrangement.

United Kingdom Wheat Contract.—On July 25, 1946, the Hon. James A. MacKinnon, Minister of Trade and Commerce, made the following statement in the House of Commons:—

"Agreement has been reached between the Government of the United Kingdom and the Government of Canada for the purchase by the former of Canadian wheat over the four years beginning Aug. 1, 1946.

"The Agreement provides that the United Kingdom will purchase and the Canadian Government will supply the following quantities each year: 1946-47—160,000,000 bushels, 1947-48—160,000,000 bushels, 1948-49—140,000,000 bushels, 1949-50—140,000,000 bushels. The contract provides that in the event of the United Kingdom requiring from Canada any additional quantities of wheat that the Canadian Government is prepared to make available, such additional quantities which the Canadian Government offers and the United Kingdom accepts shall in all respects be subject to the provisions of the Agreement. Part of the quantity of wheat specified in the contract will be supplied in the form of flour to the following amounts:—1946-47—500,000 tons firm with an additional quantity up to 140,000 tons dependent upon the out-turn of the crop; 1947-48—400,000 tons firm with an additional quantity up to 140,000 tons dependent upon the out-turn of the crop; 1948-49—a minimum of 300,000 tons, the actual tonnage to be negotiated by July 1, 1947; 1949-50—a minimum of 300,000 tons, the actual tonnage to be negotiated by July 1, 1948. The price which the United Kingdom Government undertakes to pay for the wheat supplied is as follows, basis No. 1 Manitoba Northern, in store Fort William/Port Arthur, Vancouver or Churchill: 1946-47—a fixed price of \$1.55 per bushel; 1947-48—a fixed price of \$1.55 per bushel; 1948-49—a minimum price of \$1.25 per bushel, the actual price to be negotiated by Dec. 31, 1947; 1949-50—a minimum price of \$1 per bushel, the actual price to be negotiated by Dec. 31, 1948. The contract provides that its terms and conditions shall be subject to any modification or amendment which may be necessary to bring it into conformity with any international agreements or arrangements later concluded to which both Governments are parties. Nothing in the Agreement will affect decisions which may be taken on the basis of recommendations of the I.E.F.C.