

CAR LOADINGS: Car loadings on Canadian railways for the week ended July 26 increased to 79,848 cars from 77,286 cars for the preceding week and 70,266 cars for the corresponding week last year, according to figures released by the Dominion Bureau of Statistics. This brings the total for the first 30 weeks of this year to 2,175,841 cars as against 2,001,708 cars in 1946 and 2,081,073 cars in 1944, the previous peak.

Grain loadings increased from 5,276 cars in 1946 to 6,810 cars and grain products from 2,794 to 3,344 cars. Coal increased from 4,294 to 4,829 cars, the gain being all in the eastern division. Ores and concentrates rose from 2,496 to 3,531 cars; sand, stone, gravel, etc. from 4,370 to 5,392 cars; pulpwood from 4,148 to 5,844 cars; lumber from 4,703 to 5,044 cars; gasoline and oils from 3,748 to 4,199 cars; iron and steel products from 710 to 1,474 cars; and l.c.l. merchandise from 17,294 to 18,402 cars.

U.S. CURRENCY CHECK: At the request of the Foreign Exchange Control Board, the R.C.M.P. are commencing a country-wide check of the way in which storekeepers, service stations, hotels and others are handling U.S. currency received from tourists.

The U.S. dollar expenditures of tourists in Canada are one of the main sources of the foreign exchange needed to pay for Canadian imports and other normal expenditures in the United States. So that the U.S. dollars spent by tourists will be available for these purposes, the Foreign Exchange Control Regulations require that Canadian merchants and others turn the U.S. currency they receive into their banks.

Officials of the Board said that reports they have received indicate that many merchants are not turning in their U.S. dollar receipts but are paying them out freely in change and in some cases are selling them to members of the public in exchange for Canadian currency. This has led to the check-up now being made and where breaches of the Regulations are found, prosecutions under the Foreign Exchange Control Act will be commenced.

Under the Regulations a merchant, hotel-keeper or other person engaged in a business serving tourists may accept U.S. currency at par and may make change in U.S. currency for a non-resident tourist who tenders U.S. currency in payment for purchases. For this purpose a merchant may keep on hand a reasonable amount of U.S. currency but, with this one exception is required to turn in to his bank all U.S. currency he receives.

In no circumstances is a merchant, hotel-keeper, etc. entitled under the Regulations to pay out U.S. currency in exchange for Canadian currency or in change to a Canadian resident, even though the latter may have tendered U.S. currency in payment for a purchase.

WORLD WHEAT SITUATION

CARRY-OVERS SMALL: Both in Canada and the United States crop-year-end carry-overs of wheat are at near minimum levels, the Dominion Bureau of Statistics reports in its monthly review of the wheat situation. In the United States, stocks of wheat in all positions amounted to only 83.5 million bushels on June 30, end of that country's crop year. The official estimate of Canada's carry-over stocks will not be released until August 18, but it is anticipated that the total will not differ markedly from the low level of just under 70 million bushels reached at the end of the 1945-46 crop year.

Clearances from the two major exporting countries in the Southern Hemisphere, Argentina and Australia, have not been heavy during the current crop year. Crops in both countries were below average last year and carry-overs at the beginning of the season, December 1, 1946, were at an extremely low ebb. Should both countries fill their current commitments their carry-overs at December 1, 1947, will again be of insignificant proportions.

Overseas requirements for wheat were very high during the current season and much larger quantities of bread grains could have been shipped had they been available. Strict rationing had to be maintained in the deficit areas and diets in most, if not all, of the war-devastated countries have been far from adequate. While European production of wheat in 1946 was significantly greater than in 1945, shortages of labour, machinery and fertilizers combined to restrict acreages and yields, and total production was well below prewar levels. Another factor contributing to the drain on world bread-grain supplies has been the serious world shortages of rice, sugars and fats which created additional pressure on the exportable surpluses of cereals.

DISTRIBUTION OF SUPPLIES

The distribution and allocation of supplies has also been difficult during the past year. The greater part of the 1946 exportable surpluses of wheat, corn and oats was located in North America, which added greatly to the problem of meeting requirements of the deficit areas in a timely manner. Export movement from North America during the latter half of 1946 and early 1947 was seriously hampered by limitations of rail transport; by Maritime and other strikes; by severe winter weather and by lack of supplies in forward positions at the outset of the crop year. Conditions improved markedly later in the season and the rate of exports from North America during recent months has been most satisfactory.

In the Argentine, export movement has been retarded by transportation difficulties and shortages of bags, as well as by an apparent reluctance on the part of producers to deliver wheat at the relatively low prices set by the

Trade Promotion Institute. According to trade reports practically all of the Argentine's exportable surplus, estimated at 95 million bushels, was sold under bilateral contracts with various countries. Australia's exportable surplus was placed in the vicinity of 40 million bushels with latest advices indicating that some 43 million bushels of wheat and flour equivalent have been sold for export. Most of Australia's shipments are destined for the Pacific area, but a few cargoes of flour have cleared for the United Kingdom.

In many respects the wheat situation in the new crop year appears likely to duplicate that of 1946-47. The crops in most western European countries suffered severely during the past winter and many countries, including Italy, France, the United Kingdom, Belgium, the Netherlands, and Denmark will be even more dependent this year on outside supplies than they were in 1945-46. Rust has materially reduced the outturn of wheat in India.

On the supply side, the United States is harvesting an all-time record wheat crop and substantial export quotas for August and September have already been established. Prospects for a large Canadian wheat crop have deteriorated considerably in recent weeks due to hot, dry weather over much of the Prairies -- although the outlook is still good in many of the normally heavy-yielding areas of all three Provinces.

The Argentine crop has evidently gone into the ground under favourable conditions but no acreage estimate is as yet available. Reports from Australia indicate that upwards of 15 million acres may have been seeded and that crop prospects are currently quite satisfactory. It is reiterated, however, that reserve stocks in all exporting countries are practically non-existent and as a result practically all exportable supplies will again have to be obtained from the new crop.

CROP CONDITIONS

DETERIORATION ON PRAIRIES: Above-normal temperatures and moisture deficiencies have caused further deterioration in the crops over wide areas of the Prairie Provinces, particularly in Saskatchewan and Alberta, according to the Dominion Bureau of Statistics. Fairly general rains over most of Manitoba have maintained quite satisfactory conditions in that province, but only scattered showers have fallen in Saskatchewan and Alberta. Unless heavy rains are received in the very near future the already large drought areas in these two provinces will expand still further. Extremely hot, dry weather during the past three weeks has largely destroyed the promise of good yields which existed earlier in south-western and west-central Saskatchewan and in much of the eastern half of Alberta. In large portions of north-western and north-central Saskatchewan, and in parts of south-eastern and east-central Alberta, where adverse reports have

been received throughout most of the season, deterioration has reached the stage where any substantial recovery cannot be expected.

Rains over a large part of Manitoba have maintained the generally good crop conditions previously established in that province. Insect and hail damage throughout the province has been very light to date. Correspondents in some west-central areas of the province and in a few localities north of Winnipeg indicate, however, that considerable deterioration due to heat and dry weather has occurred, particularly in stubble crops. Cooler weather in most areas would be welcomed, the heat of the past three weeks having advanced maturity of many crops somewhat too rapidly.

Continued warm weather with only scattered local showers has resulted in further general deterioration to crops in Saskatchewan. While prospects in the south-east, east-central and the east half of south-central districts continue good to fair, the general downward trend has not been arrested over the remaining large areas of the province in some of which pronounced feed shortages are indicated. Cutting of fall rye is now general in some districts and wheat fields are showing premature ripening.

Further deterioration of crops occurred in Alberta during the past week. Crop prospects continue fair to good in south-western, northern and north-central Alberta and in the Peace River district but elsewhere in the province the outlook has depreciated. In the south-eastern and east-central districts deterioration of crops on stubble land is far advanced and good rains immediately would be beneficial, particularly to summer fallow crops. Rain is urgently needed in all districts to prevent further declines in the crop outlook. Temperatures were well above normal during the week while only scattered showers were received in most districts. Wheat is reported to be 80 per cent headed out over the province as a whole.

EXPORT MARKET CHANGES: Export trade returns for June issued by the Dominion Bureau of Statistics show many changes in the relative positions of Canada's leading markets, other than the United States and the United Kingdom, during the first half of this year as compared with the first six months of 1946.

Besides the United States and the United Kingdom, which together purchased somewhat over three-fifths of Canada's exports in both the 1946 and 1947 periods, Canada sold commodities to the value of \$10,000,000 or more to fourteen countries in the first six months of this year as compared with twelve countries last year. Aggregate purchases by these fourteen countries was \$306,018,000, or approximately 23 per cent of the half-year total.

Third among all countries and first among the fourteen was the Union of South Africa, which advanced from sixth among all last year, with purchases from Canada totalling \$40,157,000 as compared with \$25,753,000. France was