

Having regard to the actual shortages in Europe and India and the Far East, we will not ship Canadian flour and wheat in quantities above normal to countries outside of the areas of shortage. Instructions have been issued accordingly.

As stated above, all the grain in the elevators is already on the programme of shipment abroad. There are, however, some accumulations of savings of grain which have not yet reached the elevators, being still on the farms. If this accumulation was delivered at once to the elevators the purchase price would be liable to income tax in this taxation year, which would result in taxing what is in effect the accumulated savings of these farmers. During the next three months we shall buy wheat on the basis of \$1.55 per bushel, giving certificates which can be presented for redemption by the Federal Government within three years and be considered as income liable to tax in the year of redemption. In this way we believe that it may be possible to acquire a considerable quantity for shipment immediately.

That brings us to the question of transportation. At the present time all the freight cars and ships that are available are engaged in shipping wheat and other foodstuffs abroad. The Canadian Wheat Board advise us, however, that if they can get 500 more cars continuously made available for them to speed up the loading of vessels in port it should be possible to ship abroad from  $1\frac{1}{2}$  to 2 million more bushels per month. We shall give top priority so as to ensure the most rapid transportation