

soon as possible, the governing factor in the situation was the maximum price for bread, which had been fixed at 4½ cents per pound retail. To permit that to be maintained, it was necessary that the British miller should obtain wheat at the equivalent of about \$1.80 per bushel delivered at the British mills. Under those circumstances, a free market would not have meant the movement of any wheat to the United Kingdom from Canada. The British Government was absorbing the difference between the cost of wheat, as purchased through the Royal Wheat Commission, and the price charged to the millers by means of a subsidy which, of course, became a burden on the British taxpayer. We must remember that on all the wheat bought by Great Britain in Canada from the crops of 1918 and 1919 there will be an average loss to Britain of probably over 75 cents a bushel.

Throughout all the negotiations for placing our exportable surpluses, I received nothing but considerate treatment from the officials of the British Ministry of Food, as well as the officials of the other ministries concerned. By the middle of summer, 1918, all the balances of the Canadian exportable surpluses had been disposed of at satisfactory prices. That was the situation at the end of the crop year 1918-1919.

Modified Control.

The European Governments still maintain part of their war-time policies to encourage production, to control prices, and to regulate distribution. During the war production was enforced by law, whether all the operations were profitable to the farmers or not. In the United Kingdom, France, Italy, and other European countries the farmers were told by Government compulsory authority,

to a considerable extent, what to sow and how many animals to keep. The feeding of animals was regulated, the use of products was defined and restricted, and the prices for produce were fixed. The farmers, to a defined extent, were compelled to sell their cereals and fodder as such, instead of feeding them and selling the produce in the form of meat. The purpose of such control was to increase the total calories in the food available to the consumer by restriction of the production of meat. These drastic measures were deemed necessary for national safety during the war. Since then the farmers have been encouraged to produce up to their maximum by a guarantee of minimum prices. In Great Britain, prices in 1919 were guaranteed to the farmers for such things as wheat, barley, oats, beef, cheese, butter and milk. Maximum retail prices were fixed to the consumers; and the commission, profits, or spread permissible to merchants who handled the commodities, were determined by the Government. For example, the farmers were guaranteed a price of about \$2.50 a bushel for wheat, whereas the price obtainable from the millers, as I have already stated, was about \$1.80 per bushel. For cattle the farmers were guaranteed, for prime quality, 17 cents per pound on the hoof in the late autumn, which price is increased gradually to 20 cents per pound live weight in July, 1920. In the autumn the Scotch farmers were paid 2s. 1d. (equal to 50 cents) per pound for their cheese; at the same time, the farmer who received that price, or any one else, could go to a retail shop and purchase cheese at 1s. 6d. (equal to 36 cents) per pound. On the one hand, the Government was guaranteeing and paying an extremely high price in order to encourage large production and ensure the keeping over of milking cows for production in the