

In Western Europe wheat production was, in general, less satisfactory than in the previous year. It is now estimated at 36.2 million tons, about 1 million tons less than in 1957. France accounts for much of the reduction. In the Scandinavian countries, in Spain and in Portugal the outturn was considerably smaller than in the previous year. The crops of the United Kingdom, Germany, Belgium and the Netherlands measured up well from a quantity standpoint to those of 1957, but their quality was much poorer. Good crops were harvested in Italy and Greece. The harvest was also good in Turkey and some recovery occurred in North African production.

The output of Eastern Europe, Russia excluded, was on the whole smaller than in 1957, sizable reductions occurring in Yugoslavia, in Hungary, in Roumania, in Bulgaria, and in Czechoslovakia.

In the southern hemisphere aggregate wheat production was larger than in the preceding year, in spite of marked differences among countries. Australia's crop more than doubled and the harvest was also abundant in Argentina. Production was below normal in South Africa, in Brazil and in Uruguay. Some tropical countries like India and Pakistan, where harvesting time is again imminent, had in 1958 very disappointing crops, but the prospects for the new crops are excellent.

As a result of increased requirements of importing countries, international trade in wheat is currently running higher than in the preceding year, but will probably not reach the record level of 1956-57. The 1957-58 exports of wheat under special programs accounted for 30 per cent of the world wheat trade and will probably be as large in 1958-59. Although consumption of wheat is likely to show an increase in the current season, the abundant harvests of 1958-59 will result in a substantial addition to stocks of wheat. According to F.A.O. estimates, carry-over stocks of wheat held by the four major exporting countries will probably increase to 51 million tons by the end of the current season. This stock would be 70 per cent more than annual world exports. While it is expected that the United States will contribute 11 million tons to this increased level of stocks, the report suggests that Canadian stocks may be reduced by about 3 million tons.

Senator MACDONALD: Dr. Hudson, I think you said it is expected this year that the sale of wheat by special transaction will amount to about 30 per cent.

Dr. HUDSON: I said that last year it amounted to about 30 per cent, and it was expected that it would be as high this year as last year.

Senator MACDONALD: You said earlier in your evidence, as I understood you, that the United States was not going to enter into as many of these special transactions this year.

Dr. HUDSON: I did not intend to say that, sir.

Senator MACDONALD: Perhaps I misunderstood you.

Senator PEARSON: When you say that Canada will reduce her wheat stock by 3 million tons, do you mean the total stocks in Canada will be reduced by that amount?

Dr. HUDSON: This estimate applies to the carry-over of stocks. I must say it is not my estimate, but that of the F.A.O. statistics, and I would not want to say how close it will be. However, the stocks will certainly be reduced.

Senator LAMBERT: That is anticipating a shorter crop this year.

Dr. HUDSON: No. This refers to the stocks before the crop is harvested.

Senator MACDONALD: That is for the crop year ending at the end of this month.

Dr. HUDSON: That is right.