

issued a press announcement, which was brought to the attention of those concerned prior to the opening of the market on March 6, 1942. The announcement read as follows:—

A resolution placed on the order paper for March 5, 1942, indicates the government's intention to increase the initial price of wheat. This is an official notification of our intention that all open wheat futures will be adjusted to the new level of wheat prices on or before July 31, 1942, and that all open wheat futures will be cleared on or before this date at the closing prices of Thursday, March 5, that is May wheat futures at 79½ cents and/or July wheat futures at 80½ cents. If this action is not taken until July 31, suitable carrying charges will be allowed to holders of cash wheat for the elapsed period during the month of July. Unhedged cash wheat will be adjusted on the same basis. In the meantime holders of cash wheat as well as futures may continue to carry on with their normal business bearing in mind the above.

The result of this action was that persons holding cash wheat or wheat futures could not sell at prices higher than those ruling at the market close of March 5, after allowing for carrying charges.

On March 9, 1942, order in council P.C. 1803 was passed, giving The Canadian Wheat Board all the necessary powers to transfer all non-board or open market stocks of Canadian wheat (Western Canada grain grades) to the new and higher price level. An important feature of the mechanism was to prevent speculative profits accruing as a result of this decision in respect to wheat policy. By the terms of the order in council, The Canadian Wheat Board was given the power, up to and including July 31, 1942, to buy actual wheat from persons other than producers, to control and adjust trading and contracts in Winnipeg wheat futures and to exercise any other powers necessary to give effect to the change from the lower to the higher price level.

The board carried out the instructions contained in the order in council. The procedure employed is found in Instructions to the Trade No. 113 of June 15, 1942, and No. 133 of July 29, 1942. The actual operations involved in carrying out the order, including the purchases, net sales and unsold stocks held by the board are found in a subsequent section of this report.

MAXIMUM PRICES OF GRAINS

The board undertook the responsibility of acting as administrator on behalf of The Wartime Prices and Trade Board in defining the maximum prices at which certain grains traded during the basic period September 15 to October 11, 1941.

SALES TO THE UNITED KINGDOM

A sale of 120 million bushels of Winnipeg wheat futures was made to the United Kingdom in November, 1941, and a further sale of 120 million bushels was completed in May, 1942.

LONDON OFFICE

Mr. R. V. Biddulph, European commissioner of the board, continued his liaison work between the board and the Imported Cereals Division of the United Kingdom Ministry of Food and also acted as the board's agent in transactions with the United Kingdom treasury. He also assisted in the negotiations leading to the sale of wheat to Russia on credit and the gift of wheat to Greece.

The board's film "The Kinsman" was re-edited during the year and was extensively used by the United Kingdom Ministry of Information.