

13.2.46

WORLD FOOD CRISIS

C188695

Maximizing Cereals Availability

A meeting was held of officials with Mr. Gardiner Saturday afternoon, February 9, to discuss this matter.

It was pointed out that Canada had made a spectacular effort to achieve maximum exports of cereals and other foods. This effort has delayed the crisis, but has not succeeded in preventing it. The record shipment of a billion bushels of wheat in the three crop years ending July 31, 1946 will exhaust all the Canadian reserves. The problem can only be solved by world action and care must be exercised to see that others, including the recipients of imported supplies, maximize their home utilization of food products. The steps that were discussed were:

(1) The grant of priorities on rail transportation of cereal shipments would permit adding some two million bushels a month to the exports on the Atlantic coast. No addition can be made on the Pacific coast. Exports of these two million bushels a month before the opening of navigation will only effect a speed-up of deliveries, but no increase in the total supplies shipped before the end of the crop year.

(2) Income tax concessions probably in the form of wheat certificates exchangeable for wheat or its price later would give an incentive to farmers who are holding wheat on their farms to make it available immediately. This would add a maximum of some ten million bushels to the total exportable supplies already calculated at 345,000,000 bushels for the present crop year. Only part of this increase could be shipped before the opening of navigation.

(3) The possibility of raising the extraction ratio of wheat will be discussed with the millers this week. Such action would reduce the amount of feeding stuffs available and would react adversely on the meat, egg and dairy products production.