

# CANADIAN WEEKLY BULLETIN



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## WEEK'S EVENTS IN REVIEW

**GRAIN SHORTAGE ENDED:** With grain production in most world countries in 1948 exceeding or approaching pre-war levels, the stringent post-war shortage of grain is apparently at an end, states the Bureau of Statistics in its monthly review of the wheat situation. World food production and supplies during the 1948-49 year were materially higher than in the preceding year, and the grain export surplus was the largest since 1930-31.

As a result of the improved food situation there have been several important developments during the past year. The international allocation of all foodstuffs except rice has ceased. Bread rationing has been discontinued in most countries and ration controls on other foodstuffs have been considerably relaxed throughout most of Europe. Larger supplies of many foodstuffs, including wheat, have also been reflected in gradually declining prices.

The improvement in breadgrain supplies during 1948-49, together with fairly satisfactory current prospects for the 1949-50 crop, indicates that further adjustments will soon take place in the production and price patterns in many producing countries. The ratification of the International Wheat Agreement by enough countries to make the scheme operative shows that both importing and exporting nations are desirous of bringing a greater measure of stability to international wheat marketing.

Other recent developments, particularly in the United States, give further evidence of the effects of the improved breadgrain supply

situation. In view of a near-record wheat production, estimated as of June 1 at 1,337 million bushels and a carry-over of some 300 million, the United States Secretary of Agriculture announced early in June that consideration is being given to the introduction of acreage allotments and possible marketing quotas for the 1950 crop.

In Canada it is still too early to attempt any quantitative estimate of the 1949 wheat crop. Based on their intentions at April 30, farmers planned to seed almost three million more acres to wheat in 1949 than in 1948. Weather conditions in the Prairies, however, have been extremely variable with crop prospects ranging all the way from poor to excellent. A significant development in the Canadian wheat situation during the past month has been the decline in the price of Class II Commercial wheat, which is now selling under the price for wheat in the United Kingdom -- Canada agreement for the first time.

In the Southern Hemisphere seeding is progressing in both Australia and Argentina. No official estimates are available on Australian wheat acreage, but it is generally considered that it should equal last year's. In contrast to the proposed acreage reduction program in the United States, the Argentine Government has recommended an increase of 3.7 million acres to bring the wheat acreage up to 17.3 million acres.

Latest reports on crop conditions in Europe indicate that breadgrain production will be somewhat below that of 1948.