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able claim to higher internal prices, the current level of which could properly be defended even in the face of sharply higher foreign markets. On the other hand, the Minister of Commerce conceded that the federal government would pay to the AWB more than the 6d. per bushel previously authorized on sales of wheat for feed—enough to bring the Board's return on such sales up to the average per bushel realization on each pool.¹⁶

PLANTINGS AND PROGRESS OF THE 1944 WHEAT CROP

Although various public officials urged Australian farmers to increase their plantings of wheat for the 1944 harvest, there was no relaxation of the acreage restrictions in force in the two preceding years. Farmers in Western Australia were again compensated for keeping their wheat acreages down to two-thirds of the corresponding averages in 1937–40, while farmers in other states were permitted to secure licenses to sow their full "normal" acreages.

Even under these restrictions, a very substantial expansion of the nation's wheat area was entirely possible, but no increase over the extremely small plantings of the preceding year appears to have occurred. Indeed, the area harvested for grain may even be smaller than in 1943. Two factors in particular operated against an increase in acreage. (1) Superphosphate rations remained unchanged; and (2) persistent drought made the seed beds in some areas too dry for successful planting. Almost the only influence tending to encourage heavier sowings was the announced increase in the initial advance to be paid for non-quota wheat in 1944–45—3s., as compared with 2s. 1½d. in 1943–44.

The drought of April–November 1944 was one of the worst on record. It dried up pastures and did great damage to the growing wheat crop, particularly in New South Wales and Victoria. In September the AWB issued a preliminary crop indication of 66 million bushels, and this figure was reduced to 50 million the following month. Unless substantially changed by later revisions, this means that Australia has just harvested her smallest wheat crop since 1919—a situation described by the Minister of Commerce and Agriculture as "a national disaster."

¹⁶ *Primary Producer*, Aug. 24, 1944, p. 1. For weeks the definition of "average pool realisation" was debated. See *The Land*, Oct. 13, 1944, p. 2, and *Primary Producer*, Nov. 23, 1944, p. 1.

VI. ARGENTINA: HEAVY NONFOOD USE

Wheat is the only important food grain in Argentina, though rye—normally a bread grain—is sown there on a considerable and rapidly increasing area. In Argentina rye is used only as a feed grain. By far the larger portion of the crop is usually fed unharvested to animals—a practice that has become more general during recent years. Of the 2.5 million acres normally sown to rye during 1934–38, only 37 per cent was harvested on the average, whereas ten years earlier (1924–28) 71 per cent had been harvested out of a sown area of only about 700,000 acres. In prewar years almost the entire harvested rye crop, excluding seed requirements, was exported; and the small quantity of grain not used for seed or exports was apparently fed to animals. Food use of rye is negligible; in Argentine milling statistics, rye is not even mentioned among the grains used.

Argentina produced a small quantity of rice before the war (less than 35,000 metric tons on the average during 1934–38). As this was not sufficient to cover her needs, she imported about as much rice as she produced. During the war, production has increased to an average of 70,000 tons for 1939–43 and to 114,000 tons in 1943. This quantity should cover Argentina's requirements.¹

Corn is little used as food in Argentina. During recent prewar years, a considerable part of the crop was fed unharvested to animals, while about four-fifths of that harvested was exported. The remaining quantity was fed mainly to hogs (p. 167).

WHEAT CROPS AND SUPPLIES

The acreage sown to wheat in Argentina since 1939 has been substantially below that for the last two or three years before the war; and it has also been below the 10-year prewar average, although the Argentine government has not taken drastic restrictive measures. Only in 1942 did officials suggest that farmers plant less wheat (and corn and linseed), and this verbal restriction was removed by the new Argentine administration that came into power in June 1943.

Wartime wheat prices in Argentina, however, have been relatively low (especially prior to 1944), and the purchasing power of wheat has

¹ The Argentine Ministry of Agriculture reported in October 1943 that rice stocks in the country amounted to 105,000 metric tons and inferred from this that there was no actual shortage. But difficulties in transport could cause local shortages. (*Informative Bulletin*, Argentina, National Grain and Elevator Commission, Dec. 31, 1943, p. 62). Consequently, it was decided to require processors and merchants to report existing stocks.

been still lower. These factors, together with unfavorable planting weather in some years, have held the wheat acreage at a relatively low level. However, after the poor crop of 1939, yields per acre were better than average, and the wartime wheat crops of 1940-43 were therefore relatively large. As a result, when war developments limited foreign outlets for Argentine wheat, year-end stocks began to increase rapidly from the low level reached at the end of 1940. They had reached a record high level of 160 million bushels on January 1, 1943, and they rose to a still higher figure—about 185 million bushels—on January 1, 1944.

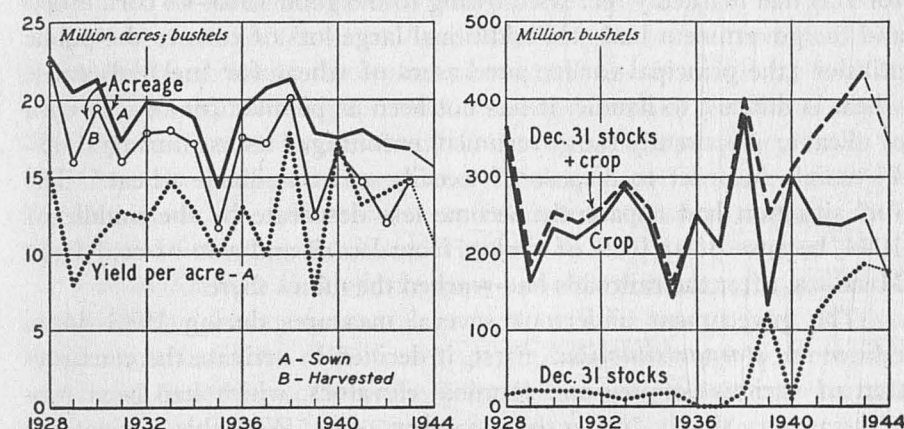
The wheat acreage sown for 1943 was about the same as that for the preceding crop; but the acreage harvested was larger than in 1942 by practically 3 million acres or by almost one-fourth, since weather conditions were generally favorable throughout the growing period. A preliminary official indication placed the 1943 wheat crop at 312 million bushels. This was much above current trade estimates, but it was drastically reduced in subsequent official estimates: to 291 million bushels on December 14; to 261 million in late January; and, finally, to 250 million in the third estimate on June 30, 1944. The downward revisions in December and January were explained as due to damage from heavy rain during harvesting and from local epidemics of rust and insect pests. It was officially stated also that the quality of the wheat was affected adversely by these factors. The trade, however, discounted these damaging effects, and characterized wheat from the 1943 crop as fairly good. No statistical information on the quality of the 1943 crop has been revealed as yet.

Even as finally estimated at 250 million bushels, the 1943 crop added to the record carryover of January 1, 1944 raised the total supplies to the unprecedentedly high level of 435 million bushels. These supplies were larger than those of the preceding year by 40 million bushels. They were almost that much larger than the supplies available on January 1, 1939—the previous record—after the bumper crop of 1938. These facts are evident from the accompanying tabulation and Chart 18 which show Argentine wheat supplies for recent years in million bushels:

Year	New crop	January 1 carryover	Total
1939	379	19	398
1940	131	120	251
1941	299	9	308
1942	238	120	358
1943	235	160	395
1944	250	185	435

Even though the new Argentine administration anticipated record large supplies of wheat for 1944, the officials found it advisable, for political reasons and in expectation of later exports, to guarantee a minimum buying price for wheat from the 1943 crop considerably higher than that paid for the previous crop. At the end of September 1943, a basic price of 8.00 pesos per quintal (65 cents, U.S., per bushel) was announced to become effective December 1 for purchases of 1943 wheat (No. 2 grade, 78 kilograms, on rail, at Buenos Aires). The basic purchase price for 1942 wheat had been 6.75 pesos per quintal.

CHART 18.—ARGENTINE WHEAT ACREAGE, YIELDS, AND SUPPLIES, FROM 1928*



* Data for recent years in Tables 2, 4, and 23.

Since a substantial portion of the record large supply consisted of wheat carried for several years, the administration was confronted with two problems: first, it was advisable to dispose of those stocks of old-crop wheat that had deteriorated because of long carrying under unfavorable storage conditions; and second, it was necessary to provide for larger and better storage facilities.

Measures for disposing of unmillable wheat had been taken even before the end of the previous crop year. In July 1943 the Argentine government had authorized the sale at sharply reduced prices (45 pesos per metric ton) of 2 million metric tons for fuel and of .5 million metric tons for feed—about 73 and 18 million bushels respectively. This appeared quite appropriate in view of the prevailing circumstances. The failure of the 1942-43 corn crop had limited further use of corn as fuel and feed, and the requirement for grain forage had increased be-

cause the drought of the preceding autumn had damaged pastures. The July decree, however, limited sales of wheat for fuel to a 6-month period ending December 1943.

Since only a small portion of the 2 million tons allotted for fuel was sold before January 1, 1944,² and since the fuel situation continued to be critical, the Argentine government, by decree of December 31, 1943, authorized the Grain Regulating Board (GRB) to sell wheat for this purpose until the end of July 1944. After that date sales of wheat for fuel were not permitted, although the 2 million tons allotted had not all been sold (see p. 66). In July 1944 it was reported that the use of wheat as fuel had practically ceased. By that time, market sales of corn for fuel had markedly increased owing to the good 1943-44 corn crop,³ and the government had sold additional large lots of corn to the public utilities (the principal earlier purchasers of wheat for fuel). Because wheat is difficult to handle, it has not been as popular for fuel as corn or oilcake. Apparently the government encouraged its use during 1943-44 mainly in order to dispose of weevily and unmillable wheat.⁴ The fuel situation had apparently become less desperate by the middle of 1944, because of arrivals of timber from Brazil and also of coal from Mendoza, after the railroads had reached the mines there.⁵

The government undertook several measures during 1943-44 to relieve the *storage situation*. First, it decided to activate the construction of various country and terminal elevators, which had been progressing very slowly during the preceding years. With this in view, the executive power decreed (on October 2) that the Ministry of Public Works should thereafter exercise all the administrative and technical powers connected with the construction of grain elevators, which had formerly been vested in the Ministry of Agriculture and the Bureau of Construction of Grain Elevators. Second, by a decree of October 6, 1943, the National Grain and Elevator Commission was empowered to grant temporary authorizations for the construction and operation of

² *Boletín Mensual* (Argentina, Ministerio de Agricultura, Dirección de Estadística, January 1944, año XLV, 14) states that at the beginning of the 1943-44 Argentine crop year (Dec. 1), 1.72 million tons of the wheat reserved for fuel remained unsold. This indicates that only .28 million tons (or 10.3 million bushels) was disposed of before that date.

³ After July 20, 1944, futures trading in corn for fuel was permitted.

⁴ U.S. Dept. Comm., Inquiry Reference Service, *Economic Situation in Argentina, 1943* (Mar. 21, 1944), p. 3. The seriousness of the insect damage to grain is indicated by a government decree issued in October 1944 approving a plan submitted by the National Grain and Elevator Commission for disinfecting all grain stocks throughout the country (*The Situation in Argentina*, First National Bank of Boston, Buenos Aires, Oct. 30, 1944, p. 4).

⁵ *Times of Argentina* (Buenos Aires), June 19, 1944, p. 18.

grain elevators and of other emergency installations for the bulk handling of grain in localities where previous facilities were inadequate. Finally, by decree of October 25, the GRB was authorized to invest up to 6,475,000 Argentine pesos in the construction of underground bins with a maximum storage capacity of 1 million tons of wheat. On the basis of these regulations, the government entered into contracts for the immediate construction of a large number of underground silos, and information in the press indicated that the program was actively carried out during the crop year.

The storage situation, however, was apparently not relieved immediately, for the Argentine government found it necessary to assume control of all installations used for storage and shipping of grain in Argentine ports. A decree of April 20, 1944 proclaimed such facilities to be public utilities.⁶ Exception was made for installations held by flour millers and other processors and used in their own operations. The decree directed the National Grain and Elevator Commission to take over the properties immediately and to negotiate later for their rental or purchase. The plants at Buenos Aires and La Plata were transferred first, those in Rosario in June.⁷

This action was dictated, the decree stated, by the necessity of meeting problems arising from the government's large-scale participation in the grain business. The decree provided that, although government-controlled elevators would accept privately owned grain for storage and shipping, priority would be given to state-owned grain.

Still another government decree, issued in August 1944, was designed to stimulate the construction of grain-storage facilities on farms. It provided that the government would pay premiums of 2.50 pesos per ton above basic prices to growers who store wheat (and linseed) on farms in constructions of a permanent nature.⁸

EXPORTS OF WHEAT AND FLOUR

Since 1940-41 wheat exports from Argentina have been on a low level because of effective naval blockades and general shortage of shipping. During 1943-44, however, the previous downward trend was reversed, and Argentine exports exceeded those of the preceding crop year by more than 40 per cent. This appears from the accompanying

⁶ *Boletín Informativo* (Argentina, Comisión Nacional de Granos y Elevadores), June 30, 1944, pp. 15-16.

⁷ Canada, *Monthly Review of the Wheat Situation*, June 30, 1944, p. 9.

⁸ *Ibid.*, Aug. 28, 1944, p. 9.

tabulation, which gives the data on net exports of wheat and flour for recent years in terms of million bushels of wheat grain.⁹ Although the

Year	Total	Wheat	Flour
1934-39 av.	122	117	5
1939-40	179	174	5
1940-41	96	94	2
1941-42	83	80	3
1942-43	69	65	4
1943-44	98	87	11

total exports of 1943-44 were the largest since 1939-40, they were still one-fifth below the prewar average. The exports of flour alone, however, were of record size in 1943-44, and more than double the prewar average.

Several factors contributed to this increase in exports: (1) the situation with regard to ocean tonnage was temporarily eased; (2) the United Kingdom changed her buying policy during 1943-44 and purchased from Argentina three times as much wheat as during the preceding year and an unusually large quantity of flour; (3) Brazil and some of the European neutral countries took more wheat and flour than in the previous year; (4) Argentina began to send shipments to Greece under new arrangements with the Allied powers; and (5) the Commodity Credit Corporation purchased some Argentine wheat, apparently for feed use in the United States.

During 1943-44 shipments of Argentine wheat to the United Kingdom exceeded 16 million bushels, of which more than 6 million were in the form of flour. Only about 3 million bushels had been shipped to that destination in 1942-43. Brazil, Argentina's best customer, apparently received some 41 million bushels of Argentine wheat in 1943-44, as compared with 33 million in the preceding year. The reported shipments to Spain were about the same in both years—more than 17 million bushels. But shipments in 1943-44 of more than 4 million bushels to Portugal, of nearly 1 million to Greece, and of nearly 2 million to the United States represented an aggregate net increase of almost 7 million bushels over the negligible exports to those destinations in 1942-43.

Month after month, the shipments of wheat from Argentina during 1943-44 were larger than in the corresponding months of the previous year, but the monthly fluctuations in 1943-44 seemed to be determined more by the shipping situation than by usual seasonal influences. In

⁹ From Tables 12 and 17.

October–November 1943, just before the end of the Argentine crop year, the shipping position eased and export demand increased; but little export business was effected during January–February, after the Argentine crop was harvested and before new-crop wheat was offered for sale for export. The Agricultural Regulating Board (ARB)¹⁰ did not offer new-crop wheat for export until early March. Then export business became active and shipments of wheat increased. They continued on a high level through April, but declined in May and still farther in June because of renewed scarcity of ocean tonnage.

The increase in exports during August–December 1943 over those of the preceding year was due wholly to larger shipments to Brazil and to Continental Europe (particularly Spain). During that period shipments to the United Kingdom lagged behind the shipments of 1942. After January, however, enlarged exports to the United Kingdom greatly exceeded shipments to that destination during the preceding year, whereas exports to Spain were smaller than in 1943.

By June 1944 Argentina had delivered to Spain nearly all of the 1 million tons of wheat provided for under the Argentine-Spanish agreement of September 5, 1942. On June 3, 1944, however, a new agreement was signed stipulating, among other things, that the Argentine government would exchange 1 million tons of wheat for specified quantities of iron and steel to be delivered by Spain. The shipments of both countries are supposed to be completed by December 31, 1945.¹¹ This means that, during the year and a half beginning July 1944, Argentina expects to ship to Spain an average of 2 million bushels of wheat monthly.

By a decree of January 15, 1944, the Argentine government set aside 50,000 tons (1.8 million bushels) of wheat for shipment to Greece. This commitment represents a portion of the total quantity of 200,000 tons pledged by the Argentine government to the relief pool, in partial fulfillment of the provisions of the International Wheat Agreement.¹² Actual shipments to Greece began in April when the first cargo left Argentine waters. Although the January plans called for monthly shipments of about 9,000 tons in the following months, only some 23,000 tons were reported to have been shipped before August 1, 1944. Not until August 24 did the Argentine government make any

¹⁰ The structure and the name of the Grain Regulating Board (GRB) were changed by a decree of Feb. 15, 1944, because of extended activities. Since that date it has been known as the Agricultural Regulating Board (*Boletín Informativo*, June 30, 1944, pp. 6-7).

¹¹ For details of the agreement, see *Foreign Commerce Weekly*, July 29, 1944, p. 10.

¹² International Wheat Council (Washington, D.C.), press release, Feb. 1, 1944.

further specific commitments of wheat for relief, but on that date 100,000 tons were earmarked as a gift to France.¹³

It must be noted in conclusion that the Argentine government took steps during 1943–44 to control the quality of all grain exports. By an executive decree issued in August 1943, the National Grain and Elevator Commission was authorized to supervise all grain exports for the purpose of preventing the shipment of grain below a specified minimum quality. Thereafter, shipments were required to pass inspection and to be accompanied by an "Argentine Certificate of Quality" issued by the Commission. New shipping regulations prevented the mixing of grain from different zones and specified other requirements for maintaining quality.¹⁴

News in the trade press indicates that the Argentine government also tried to get British importers to accept Argentine wheat on "certificate final" terms—i.e., to pay for Argentine wheat on the basis of officially certified grades rather than on the basis of f.a.q. standards. British buyers, however, refused to accept "certificate final" terms, and the matter has been postponed.¹⁵

DOMESTIC UTILIZATION OF WHEAT

The relatively large exports of Argentine wheat in 1943–44 helped to solve the problem of disposing of the heavy wheat stocks accumulated in Argentina during the three preceding years. But domestic sales of wheat at reduced prices for fuel and feed were of greater importance in this respect (see p. 61). Although the 2 million metric tons earmarked for fuel were not fully sold, nearly 1.7 million tons or more than 60 million bushels of unmillable wheat were disposed of in this manner.¹⁶

It is less clear how much of the 500,000 tons of wheat allotted for feed was actually sold. According to United States officials in Argentina, reporting on the nation's economic situation during 1943, only about half of that quantity, or about 9 million bushels had been sold—

¹³ "Argentina's Gift to France," *Argentine News* (Argentina, Ministry for Foreign Affairs and Worship, Dept. Information for Abroad), August 1944, No. 65, p. 4.

¹⁴ *Times of Argentina*, Aug. 23, 1943, p. 18, and Nov. 8, 1943, p. 18; and also *Informative Bulletin*, Sept. 30, 1943, p. 47.

¹⁵ *Corn Trade News* (Liverpool), May 3, 1944, pp. 170, 171, and May 10, 1944, p. 179.

¹⁶ More than 10 million bushels of wheat were sold for fuel before Dec. 1, 1943 (see footnote 2, p. 62). In a Canadian report of a recent statement of the Argentine Ministry of Agriculture showing the disposition of the 1943 wheat crop to Nov. 15, 1944 (*Monthly Review of the Wheat Situation*, December 1944, Vol. XVI, No. 4, p. 8), it is mentioned that 1,366,000 tons or 50.2 million bushels were used for fuel after Dec. 1, 1943. Since wheat could not be sold for fuel after July 31, by far the greater portion of this quantity was probably used before Aug. 1.

presumably up to January 1, 1944.¹⁷ Some additional wheat must have been sold for feed use before August 1, 1944. Sales of wheat for feed after January 1, however, were probably small, since pastures were much better than earlier and since more corn was available for feed than had been anticipated (p. 170).

In its statement on the disposition of the 1943 crop (as of November 15, 1944), the Ministry of Agriculture did not give any information on sales of feed wheat, but showed 400,000 metric tons (14.7 million bushels) as lost or unfit for consumption. We infer that this figure included as a major item the wheat sold for feed at reduced prices. Consequently, we assume that over 70 million bushels of wheat were sold for fuel and feed during 1943–44.

Another government measure aided in reducing stocks of old wheat. After December 1, 1943, flour millers were required to buy from the ARB old-crop wheat in an amount at least equal to 70 per cent of their registered milling average. This ruling continued in effect until early June, when the government authorized the ARB to deliver to mills either old-crop or new-crop wheat. The earlier regulation was relaxed partly to assist the ARB in supplying wheat to flour mills located at a considerable distance from stocks of old wheat. The June decree stated, however, that the change was possible because the ARB had already reduced its stocks of 1942–43 wheat to about 1.8 million metric tons (66 million bushels).¹⁸

During August–July 1943–44 the quantity of wheat milled was substantially larger than usual. It may be estimated roughly at 92 million bushels, of which about 11 million were exported as flour. Consequently, over 80 million bushels were retained for domestic utilization, including building of stocks, as compared with 76 million in August–July 1942–43. It is reasonable to assume that flour stocks carried by traders were increased in 1943–44 in connection with the unusual rise in the flour-export business.

All told, domestic utilization of wheat in Argentina was unusually large during 1943–44. It probably exceeded 170 million bushels, and was about half again as large as the estimated domestic utilization of 1942–43, and about 75 per cent above the normal prewar level.

With domestic utilization of wheat so heavy and with exports improved, Argentine wheat stocks were substantially reduced during

¹⁷ U.S. Dept. Comm., Inquiry Reference Service, *op. cit.*, p. 4.

¹⁸ *Foreign Crops and Markets*, July 24, 1944, p. 40, and *Boletín Informativo*, June 30, 1944, pp. 22–23.

1943-44. On August 1, 1944 these stocks probably amounted to something like 250 million bushels. They were perhaps 20 million bushels smaller than the stocks of August 1, 1943, but larger than in any other year. In view of the small 1944 wheat crop (estimated officially in February 1945 at 156 million bushels), the large stocks may be regarded as more comforting than embarrassing.

WHEAT PRICES

Wheat prices continued to be under government regulation in Argentina throughout 1943-44. This related both to the prices paid to producers and to the prices at which wheat was sold for export and to domestic flour mills. Although futures trading in oats, barley, rye, and sunflower seed was resumed on April 19, 1944 and in corn for fuel on July 20, 1944, no such operations in wheat were permitted. For wheat, only the regulations pertaining to millers' purchases were somewhat relaxed. During 1942-43 flour mills had been obliged to buy all their wheat from the GRB at the fixed official prices;¹⁹ but from December 1, 1943 they were permitted to cover 30 per cent of their average requirements through purchases of 1943 wheat on the open market at prices not less than the fixed basic price paid to producers by the GRB.²⁰

The basic buying price of 8.00 pesos per quintal for 1943 wheat (No. 2 grade, 78 kilograms, on rail at Buenos Aires) was thus the *minimum* price for wheat purchased by millers on the open market, but the official regulations did not exclude the possibility that millers might pay higher prices for such wheat. Indeed, since millers were obliged to pay the board 9.00 pesos per quintal for wheat that they had to purchase to cover at least 70 per cent of their average requirements, it was to be expected that they would be ready to pay more than 8.00 pesos per quintal for choice parcels of wheat available on the open market. It was also to be expected that sellers of these parcels would require premiums. Such a situation actually developed, and in the later part of the crop year found its expression in price quotations on the official grain market at Buenos Aires. Until July these quotations reflected the basic buying price of 8.00 pesos per quintal; but on July 26, the quoted price for No. 2 wheat at Buenos Aires rose to 8.10 pesos, exceeding the basic buying price for the first time. By the end of July 1944 the prem-

¹⁹ A decree of June 18, 1943, permitted flour mills to buy from the GRB new wheat in an amount equal to 30 per cent of their total grindings; and a decree of July 29, 1943, permitted the Board to sell wheat to mills from either the 1941 or the 1942 crop (*Boletín Informativo*, July 15, 1943, p. 311, and Aug. 15, 1943, p. 348).

²⁰ See footnote 10, p. 65.

ium had increased to .30 peso, and by August 21 to .50 peso. It remained on this level throughout September 1944,²¹ but rose to .70 on October 26.

The recurring increases in the prices at which the ARB offered wheat to exporters throughout 1943-44 indicate that the basic price of 8.00 pesos to producers was in no way out of line with wheat prices on international markets. In August 1943 the board offered wheat for export from both the 1941 and the 1942 crops. The basic buying price for wheat from both these crops was 6.75 pesos per quintal, Buenos Aires. Until August 31 the Board's selling price for 1941 wheat destined for Europe and for Brazil was 8.30 pesos per quintal in bulk and 9.30 pesos in bags. Wheat from the 1942 crop was offered at prices .90 peso per quintal higher, or at 9.20 and 10.20 pesos per quintal respectively. The price of wheat exported to other destinations was .40 peso

PRICES OF THE AGRICULTURAL REGULATING BOARD ON WHEAT FOR EXPORT TO ALL DESTINATIONS*
(Pesos per quintal ex-dock)

Approximate date effective	1942 crop		1943 crop	
	Bulk	Bagged	Bulk	Bagged
1943				
Sept. 2	9.60	10.60	...	...
Oct. 14	9.70	10.70	...	...
Nov. 18	9.90	10.90	...	...
Dec. 2	10.00	11.00	...	...
1944				
Jan. 27	10.20	11.20	...	...
Mar. 9	10.20	11.20	12.00	13.00
Apr. 5	10.20	11.20	12.50	13.50
May 24	10.80	11.80	12.60	13.60
June 7	11.20	12.20	13.00	14.00
July 27	11.20	...	13.00	...

* *London Grain, Seed and Oil Reporter*, Friday issues. Dots (...) indicate no quotation and, therefore, presumably no export offers.

per quintal higher. On September 2, 1943 prices for exports to Europe and to Brazil were raised .40 peso per quintal and were thus brought to the level of prices on wheat exported to other destinations. The accompanying table shows the subsequent changes in the Board's selling prices for export wheat.

The export prices for 1942 wheat show an uninterrupted increase

²¹ *Boletín Informativo*, Sept. 30, 1944, pp. 122-23, 138-42.

throughout 1943–44.²² From August 1943 to July 1944 they rose 2.00 pesos per quintal. During September–November 1943 and again during May–June 1944 prices increased more rapidly than in other months, partly reflecting enlarged export demands. The ARB undoubtedly made substantial profits on its sales of 1942 wheat throughout the entire crop year, and these profits should have been large enough to cover a considerable portion of the losses incurred through deterioration of old-crop wheat and through sales at low prices for fuel and feed.

Wheat from the 1943 crop was not offered for export until March 1944, and it was then offered at prices exceeding those for the 1942 crop by 1.80 pesos per quintal. This difference more than covered the increase in the Board's basic purchase price for 1943 wheat. Before August 1944 the export prices for 1943 wheat had been raised 1.00 peso per quintal, thus making it possible for the Board to realize even larger profits from exports of the 1943 crop.²³

²² Quotation of prices for wheat from the 1941 crop in the *London Grain, Seed and Oil Reporter* were discontinued in September. This presumably indicates that exports of this wheat were unimportant at that time. But *Boletín Informativo* (Sept. 15, 1943, p. 403) says that after Aug. 31 the price for wheat from the 1941 crop was 9.00 pesos per quintal; and the issue for Oct. 15, 1943 (p. 435) says that after Oct. 11, it was raised to 9.10 pesos.

²³ For Board buying prices 1938–44, see Table 62.

VII. BRITISH ISLES: INCREASED DOMESTIC SUPPLIES

In the United Kingdom, as in Canada and Australia, wheat is clearly preferred to all other food grains. According to the civilian consumption figures released by the Combined Food Board last spring, the United Kingdom consumed annually during 1934–38 about 195 pounds of wheat flour per capita, only 4.4 pounds of rice,¹ and virtually no rye or maize. During recent war years the per capita consumption of imported rice has fallen about 33 per cent below the prewar level, whereas the consumption of flour (including diluents) has increased about 20 per cent.

WHEAT CROPS AND SUPPLIES

Normally dependent on imports for about three-fourths of her total wheat utilization in prewar years, the United Kingdom has tried hard since 1939 to increase her domestic output of wheat and other basic foods. The situation in Eire has been similar. Both countries have used acreage subsidies and price incentives to encourage expansion of wheat acreage; and Eire has even resorted to general tillage requirements and (for 1944) to wheat-planting requirements.²

As a result of these measures, the wheat acreage of the United Kingdom increased by 88 per cent between 1935–39 and 1943, that of Eire by 125 per cent. With the help of weather conditions appreciably better than usual, the 1943 wheat crops of the British Isles reached 145 million bushels³—twice the average figure for 1935–39 and the largest combined harvest on record (since 1852). Eire's crop, 16.2 million bushels, was 3 million below her record outturn of the preceding year.

Heavy war reserves of wheat in the United Kingdom and small stocks in Eire brought the combined initial wheat supplies for 1943–44 to a level not far below the domestic utilization of the British Isles in the preceding year (Chart 19). This meant that net imports of wheat were required principally for maintaining year-end reserves in the

¹ U.S. Dept. Agr., War Food Administration, *Food Consumption Levels* (Report of a Committee set up by the Combined Food Board), p. 107, and *ibid.* (Second Report) (December 1944), p. 27.

² Most farmers in Eire were required to cultivate 12.5 per cent of their arable land for 1940, 15 per cent for 1941, 20 per cent for 1942, 25 per cent for 1943, and 37.5 per cent for 1944. For 1944, farmers in different districts of Eire were obliged to plant to wheat 4–10 per cent of their cultivated land.

³ Official crop figures for the United Kingdom were not released until October 1944 (*Economist*, London, Oct. 14, 1944, p. 521; see also Table 42).