

# REFERENCE PAPERS

## WARTIME INFORMATION BOARD, OTTAWA

No. 23

May 25, 1944

### CANADIAN FOOD AND AGRICULTURE IN THE WAR

	<u>Page</u>
History of Canadian Agriculture.....	1
Farm Population, Occupied Land.....	2
Agriculture in Wartime.....	3
Demands on Food Production.....	4
Food for the Armed Forces.....	4
Food Rationing.....	6
Meat Rationing Suspended.....	6
Prices Board.....	6
Food to United Kingdom.....	8
Exports to all Countries.....	8
Prisoners of War Parcels.....	9
International Relief.....	9
Permanent World Food Organization.....	10
Combined Food Board.....	11
Food Requirements Committee.....	11
Canada-U.S. Co-operation.....	12
Farm Manpower.....	12
Need for Special Measures to Supply Additional Farm Labour	13
Dominion-Provincial Farm Labour Agreements.....	13
Assistance from the Armed Forces.....	14
Organized Farm Excursions.....	16
Temporary Help from Students and Townspeople.....	16
Treaty Indians.....	16
Conscientious Objectors.....	16
Canadian Japanese.....	17
Prisoners of War and Internees.....	17
Rejects and Discharged Men.....	118
Compulsory Labour Transfer Orders.....	18
Transfer of Harvesting Equipment.....	18
Canada-U.S. Exchange of Farm Labour.....	18
Farmers Working in other Industry in Off-seasons.....	19
Farm Machinery.....	19
Farm Income.....	21
Post-War Plans.....	22
Wartime Gardens.....	23
Gross Value of Field Crops.....	24
Wheat.....	24
Transportation of Grain.....	25
Feed Grains.....	26
Freight Assistance Policy.....	27
Wheat Acreage Reduction.....	27
Oilseed Crops.....	28
Flaxseed.....	28
Soybeans.....	28
Other Field Crops.....	29
Forage Crops.....	30
Seeds.....	31
Fertilizer.....	31
Livestock.....	31
Bacon.....	33
Bacon in Two Wars.....	35
Cattle.....	35
Sheep.....	35
Dairy Products.....	36
Cheese.....	37
Butter.....	37
Milk-Whole and Concentrated.....	38
Eggs.....	39
Fresh Fruits and Vegetables.....	39
Potatoes.....	40
Vegetables.....	40
Maple Products.....	41
Honey.....	41
Canadian Agricultural Objectives for 1944.....	42



CANADIAN FOOD AND AGRICULTURE IN THE WAR

Page

1	History of Canadian Agriculture.....
2	Farm Population, Occupied Land.....
3	Agriculture in Wartime.....
4	Demands on Food Production.....
5	Food for the Armed Forces.....
6	Food Rationing.....
7	Meat Rationing Suspended.....
8	Prices Board.....
9	Food for United Kingdom.....
10	Exports to all Countries.....
11	Prisoners of War Parcels.....
12	International Relief.....
13	Permanent World Food Organization.....
14	Combined Food Board.....
15	Food Rationing Committee.....
16	Canada-U.S. Co-operation.....
17	Farm Handover.....
18	Need for Special Measures to Supply Additional Farm Labour.....
19	Dominion-Provincial Farm Labour Agreements.....
20	Assistance from the Armed Forces.....
21	Organized Farm Excursions.....
22	Temporary Help from Students and Townspeople.....
23	Treaty Indians.....
24	Conscription Objectors.....
25	Canadian Japanese.....
26	Prisoners of War and Internes.....
27	Refuges and Discharged Men.....
28	Compulsory Labour Transfer Order.....
29	Transfer of Harvesting Equipment.....
30	Canada-U.S. Exchange of Farm Labour.....
31	Farmers Working in other Industry in Off-season.....
32	Farm Machinery.....
33	Farm Income.....
34	Post-War Plans.....
35	Wartime Gardens.....
36	Gross Value of Field Crops.....
37	Wheat.....
38	Transportation of Grain.....
39	Feed Grains.....
40	Freight Assistance Policy.....
41	Wheat Acreage Reduction.....
42	Oldseed Crops.....
43	Mixedseed.....
44	Soybeans.....
45	Other Field Crops.....
46	Forage Crops.....
47	Seeds.....
48	Fertilizer.....
49	Livestock.....
50	Bacon.....
51	Bacon in Two Wars.....
52	Cattle.....
53	Sheep.....
54	Dairy Products.....
55	Cheese.....
56	Butter.....
57	Milk-Trade and Concentrated.....
58	Eggs.....
59	Fresh Fruits and Vegetables.....
60	Potatoes.....
61	Vegetables.....
62	Maple Products.....
63	Honey.....
64	Canadian Agricultural Objectives for 1944.....



# REFERENCE PAPERS

## WARTIME INFORMATION BOARD, OTTAWA

### Canadian Food and Agriculture in the War

In peacetime Canada was one of the world's great food producing countries. For many years before the war wheat, meat and dairy products from Canada had a place in world markets.

In peacetime a great food producer is the world's benefactor - even though sometimes faults in national and international economies have resulted in the piling up of food in one country while in another many people went hungry.

In wartime food becomes a weapon. It feeds fighting men and war workers; it upholds home front morale. The mere presence of food stocks can have an effect in hastening the end of a war.

As long ago as August 20, 1940, Prime Minister Winston Churchill made it plain that the allies had in mind a time when allied food stocks would exercise a direct influence on the outcome of the war. He told the British House of Commons:

"We shall do our best to encourage the building up of reserves of food all over the world, so that there will always be held up before the eyes of the people of Europe, including -- I say it deliberately -- the German and Australian peoples, the certainty that the shattering of the Nazi power will bring to them all immediate food, freedom and peace."

Word of allied food stocks is now filtering into a hungry Europe. That the allies have a strong psychological weapon in these food stocks cannot be doubted.

The food weapon which Canada has been able to furnish the allies has been many years in the making.

### HISTORY OF CANADIAN AGRICULTURE

Jacques Cartier in 1535 reported that the Indians around Hochelaga, at the foot of Mount Royal, where Montreal now stands, were cultivating small patches of land for the production of maize. The Huron Indians, living in the area close to Lake Huron and Georgian Bay, are also reported to have been growing corn, peas and beans when first visited by white men.

Since the arrival of the first French colonists in Acadia, on Canada's eastern shore, Canadian agriculture has gone through several rather distinct stages: Early settlement took place in what is now the Maritime Provinces - Prince Edward Island, Nova Scotia and New Brunswick - and Quebec, with comparatively slow development until 1750. From 1750 to 1850 settlement of Upper and Lower Canada was in full swing and agricultural growth was steady if not rapid. After Confederation in 1867 and the completion of the Canadian Pacific Railway in 1886, the development of western Canada was rapid, and agriculture in eastern Canada went through a period of adjustment in the light of the development in the west.

Growth in the Acadian region was slow. The census of 1671 showed only 441 Acadians, having 429 arpents (an arpent equals 0.84 acre) under cultivation with 866 cattle, 407 sheep and 36 goats. Early in the 18th century the French began to dyke the marshes of the Minas Basin where they were able to secure level lands which did not require clearing and which proved very fertile for the production of grains and grasses.

In the lower St. Lawrence Valley some attempts at agriculture appear to have begun as early as 1608 when Champlain, the founder of Quebec, came to the country. The first real farmer is said to have been Louis Hebert, who began farming in 1617 on the site of what is now Quebec City. Small settlements developed at various points along the St. Lawrence during these early days, but clearing was difficult and slow, and it was a considerable time



before the people were able to be self-sufficient in foodstuffs. Settlement of the so-called Eastern Townships of Quebec began shortly after 1800, with the settlers coming chiefly from the New England states. However, it was not until after 1830 that they had satisfactory communication with Montreal and other parts of Canada. After that time agricultural progress was rapid in the area.

Agriculture in Upper Canada (Ontario) was also introduced by the French, with the first settlement established by Frontenac at Kingston in 1671. Difficulty of communication and transportation as well as the heavy work involved in clearing the land kept settlement at a slow rate. By 1852, however, there were close to 100,000 farms in the province.

The agricultural history of western Canada dates back to the Selkirk Settlement along the Red River in Manitoba in 1812. These settlers experienced much difficulty, not only with Indians, but also because of the rivalry between the Northwest Company and the Hudson's Bay Company. Population grew only slowly, and there was little real agricultural development until after the railway reached St. Boniface, opposite Winnipeg, in 1878. After the completion of the Canadian Pacific Railway in 1886, the settlement and consequent agricultural development of all western Canada was very rapid. Many settlers came from the eastern provinces of Canada as well as from the United States, the United Kingdom and European countries.

Settlers from eastern Canada and the United States often took stock and equipment with them, and although they found it necessary to change many of their farm practices to meet the new conditions of soil and climate, they soon built up large farms, and wheat production for export became increasingly important. In the short history of agriculture on the prairies there have been many important developments in technique with a decided tendency towards mechanization.

Agriculture in British Columbia began in the Fraser Lake district about 1810. The cultivated area, however, was small, and expansion was hampered by the rugged nature of the country as well as the heavy forest covering. The Hudson's Bay Company maintained a number of farms in and around Fort Vancouver and on Vancouver Island in the early days. Agriculture received indirect impetus from the Cariboo gold rush in the 50's in supplying produce to the camps. It was not until the 80's that commercial plantings took place. Since then this area has built up a reputation for the production of apples and other fruits.

#### FARM POPULATION, OCCUPIED LAND

The period of rapid expansion and settlement in Canadian agriculture terminated with the beginning of the depression of the 1930's. Had not World War I intervened and thus restricted settlement, this period might have arrived somewhat earlier.

At the time of the last Canadian census in 1941, 27.5% of Canada's population lived on farms. Although this is a high proportion of farm dwellers, the figure had decreased from 31.7% since the census of 1931. Of the nine Canadian provinces, Saskatchewan has the highest proportion engaged in agriculture with 57.4% of its population living on farms. Prince Edward Island and Alberta ranked second and third respectively. In the province of Quebec one-quarter of the people live on farms. British Columbia and Ontario are the most urbanized provinces in Canada with only 13.0% and 18.6% respectively of their population living on farms.

The amount of occupied farm land in Canada has increased consistently as far back as records go. In the 20 years from 1921 to 1941 it increased from a total of 141,000,000 acres to 175,000,000 acres.

This increase has, however, not been uniform throughout the country. Nova Scotia, Prince Edward Island, New Brunswick and Ontario had less land in



farms in 1941 than in 1921. Saskatchewan increased from 28.3% in 1921 to 39.4% 20 years later. British Columbia, Quebec and Ontario have only 1.8%, 5.8% and 9.6% of their total land areas in occupied farms. Of course much of the remainder of the land is unsuitable for cultivation. In Saskatchewan and Alberta more land was occupied for farming during the 20 years mentioned than in all the other provinces combined.

The number of farms in Canada increased from 728,623 in 1931 to 732,715 in 1941, and the chief increase in farms was in the province of Quebec. In the Maritime Provinces and Ontario there was actually a decrease. A trend toward larger sized farms is reflected in all the provinces, with the exception of Quebec. In that province, although the number of farms has increased, the average size of farms has decreased.

During the last 20 years there has been a marked change in the status of Canadian farm tenure. In 1921 85.7% of the farms were operated by the owners. By 1931 this figure had dropped to 80.1%, and this downward trend continued so that by 1941 only 75% of the farms in Canada were occupied and operated by owners. The tendency has been most marked on the prairies. By 1941 only 66.1% of farms in Manitoba, 53.0% in Saskatchewan and 62.8% in Alberta were occupied by owners.

Canada's great productivity, coupled with a small population, has placed it in a position to export a great deal of food, although markets have not always been available. Production on Canadian farms for many years before the war was a matter of setting quotas, of controlling output. No one had ever really known just how much the farms of Canada could produce.

#### AGRICULTURE IN WARTIME

At the outset of the war two principles were established for the guidance of agriculture in Canada:

- (1) That farmers be encouraged to continue their regular practice, unless advised of alterations that might be considered desirable or necessary.
- (2) That insofar as could be determined and undertaken, the ultimate position of agriculture at the end of the war be safeguarded.

Although in years of peace a substantial part of food imports into the United Kingdom came from Canada, it had never been economically sound for the United Kingdom to import all its food across the Atlantic.

As the war spread, however, the United Kingdom turned to Canada for increased supplies of bacon, eggs, evaporated milk and cheese. Orders were also received for dried fruits, tobacco and canned tomatoes. Then in mid-1941 Canada received the signal to supply all the bacon and hams it could. Earlier it had received large orders for eggs. In 1941 Canada had to restrict domestic consumption of bacon and cheese.

The entry of Japan into the war complicated shipping in the Far East, made it impossible for the United States to maintain its former shipments to the allied nations and eliminated certain food imports to the North American continent.

Full employment and a marked increase in payrolls resulted in an upswing in domestic consumption, so that in the summer of 1942 the position of farm products was reversed; instead of surpluses, shortages began to threaten, and the necessity of restricting consumption became evident in some instances.

From time to time the Canadian government, through the Agricultural Supplies Board, took steps to deal with the situation. As requests came from the United Kingdom for an increased volume of one product and then another, plans were made to encourage Canadian output. Frequent conferences were held



with representatives of provincial governments and farm organizations to formulate programs. New contracts calling for expanded shipments to the United Kingdom were made, and where the price arrangement with the British Ministry of Food was considered insufficient to produce the volume required, the federal government contributed financial assistance in one form or another.

In the main these demands affected only a limited number of products. It was not until 1942 that changes in Canadian food requirements and the food supply situation directed attention to the need for increased production in a much wider range of products.

DEMANDS ON FOOD PRODUCTION

While British requirements were expanding, other drains on the Canadian food supply increased.

Demands on Canadian food production are as follows:

1. Needs of the armed forces and ships' stores.
2. Domestic consumption.
3. Shipments to the United Kingdom and other countries.
4. Prisoners of war parcels.
5. International relief.

FOOD FOR THE ARMED FORCES

Purchases of food for the armed forces in Canada have made increasingly heavy demands on Canadian food production. Principal food commodity purchases for the armed services during 1941, 1942 and 1943 were as follows:

	<u>1941</u>	<u>1942</u>	<u>1943</u>
Meats.....	32,500 tons	50,000 tons	52,000 tons
Vegetables.....	57,000 tons	80,000 tons	105,000 tons
Bread.....	25,000 tons	33,000 tons	41,000 tons
Butter.....	5,000 tons	7,000 tons	8,500 tons
Eggs.....	5,800,000 doz.	8,500,000 doz.	19,500,000 doz.
Coffee and tea.....	1,600 tons	2,000 tons	2,500 tons
Evaporated milk.....	6,000 tons	9,000 tons	11,000 tons

Despite the heavy demands on food production from other sources and moderate restrictions on some commodities, total domestic consumption of food in Canada has increased during the war years. This is not surprising for a period when food production as well as the earnings of the population generally have increased.

According to a recent report of the Combined Food Board on food consumption levels in Canada, the United Kingdom and the United States, Canadian Food levels in 1943 were very close to those in the United States, while food supplies reaching the average British citizen were less than those in the other two countries.

The pre-war diets of the three countries were similar in commodity composition and nutritive value, although the United States had appreciably more dairy products, poultry, eggs and fruit than the United Kingdom and much more fruit and vegetables than Canada.

The following table compiled by the Dominion Bureau of Statistics shows the Canadian wartime increase in food consumption:

SUMMARY OF PER CAPITA SUPPLIES OF FOOD MOVING



SUMMARY OF PER CAPITA SUPPLIES OF FOOD MOVING  
INTO CIVILIAN CONSUMPTION IN CANADA -- 1935-39-1943

	Pounds Per Head Per Annum					Per Cent of Pre-war				
	1935-39	1940	1941	1942	1943	1935-39	1940	1941	1942	1943
Milk and milk products, excluding butter										
Total milk solids.....	54.6	57.0	57.6	61.1	64.3	100.0	104	105	112	118
Meats, including cured and canned (as carcass weight).....	120.1	120.1	126.5	127.8	134.4	100.0	100	105	106	112
Poultry, game and fish (edible weight)...	25.8	27.4	23.3	26.9	26.2	100.0	106	90	104	102
Eggs (fresh equivalent).....	30.5	30.3	30.5	32.1	37.8	100.0	99	100	105	124
Oils and fats (fat content).....	41.2	41.1	44.3	46.7	43.6	100.0	100	108	113	106
Sugars and syrups (sugar content).....	97.0	101.9	106.0	84.8	79.1	100.0	105	109	87	82
Potatoes.....	191.7	202.4	202.0	204.4	205.1	100.0	106	105	107	107
Pulses and nuts (weight without shells).	12.6	12.7	12.2	13.6	11.7	100.0	101	97	108	93
Tomatoes and citrus fruit (fresh equivalent).....	51.1	57.9	64.0	68.8	61.5	100.0	113	125	135	120
Other fruits and fruit products (fresh equivalent).....	79.6	88.1	95.1	70.0	72.4	100.0	111	119	88	91
Leafy, green and yellow vegetables.....	43.9	42.3	43.6	61.9	43.2	100.0	96	99	141	98
Other vegetables.....	34.0	31.1	27.4	41.3	32.8	100.0	91	81	121	96
Grain products.....	206.9	175.0	180.5	195.4	215.4	100.0	85	87	94	104
Beverage (tea, coffee, cocoa).....	10.8	11.9	12.8	10.5	10.5	100.0	110	119	97	97

Figures for 1943 are preliminary and subject to revision.



FOOD RATIONING

Commitments to the United Kingdom, the needs of the armed forces, transportation and shipping difficulties have necessitated consumer rationing to ensure an equitable distribution of certain vital foods which are in short supply. Such commodities are sugar, butter, tea, coffee, preserves and evaporated milk (in certain areas), the rationing of all of which was in effect in April, 1944.

MEAT RATIONING SUSPENDED

Meat rationing and meatless Tuesdays in public eating places were temporarily suspended in Canada at the end of February, 1944.

Although Canada has always produced enough meat for domestic consumption, rationing was begun on May 27, 1943, to provide an increased exportable surplus to meet the needs of the United Kingdom and Canadian forces overseas.

Since the beginning of 1944 there had been unusually heavy marketing of all types of livestock. Marketing of hogs increased 80% over the corresponding period of 1943, cattle 50%, calves 20%, sheep and lambs 35%. As a result, transportation and cold storage facilities became heavily congested. There were 102,000,000 pounds of meat in cold storage - nearly twice as much as at the end of February, 1943.

Record quantities of meat were moved overseas in the eight weeks preceding the suspension of meat rationing, and shipping capacity had reached its limit. Thus supplies which could not be moved into export channels were released for domestic consumption through the temporary suspension of rationing in order that meat would not spoil.

The Canadian Government emphasized that meat rationing in Canada was being suspended, not abandoned, and in order to facilitate the resumption of rationing the system of slaughter permits and the requirements that all carcasses be stamped with the permit holder's license number remained in full effect.

During the suspension of rationing, however, individual farmers are permitted to slaughter their own livestock for sale directly to consumers without the previous necessity of obtaining a permit or stamping the meat sold in this way.

PRICES BOARD

The Wartime Prices and Trade Board is responsible for rationing of food. It is also responsible for holding down consumer prices. A general definition of the responsibilities of the Prices Board and of the Department of Agriculture in the matter of food follows:

The Wartime Prices and Trade Board is responsible to the minister of Finance for --

1. Maintenance of the price ceiling.
2. Estimating and defining of domestic food needs.
3. Importation and distribution of food.
4. All matters of priorities.
5. Consumer rationing of foods.

The Department of Agriculture is responsible for --

1. Production within the price ceilings established by the Prices Board.
2. Consultation with the Prices Board if the desired production cannot be obtained within the established price ceiling.
3. Recommendations to Privy Council concerning subsidies to primary producers.
4. Export of food under contract with the United Nations (except wheat for milling and flour, which is under the Department of Trade and Commerce).



While subsidies designed to reduce costs to consumers are the responsibility of the Wartime Prices and Trade Board, any such subsidies relating to agricultural products produced in Canada are the subject of consultation with the Department of Agriculture.

In World War I unchecked prices imposed considerable hardships on Canadians. By the end of the war the cost-of-living had risen 57.6% above the pre-war level. In this war to December, 1943, it showed a total rise of 18.4%. In this ascent the dominating influence of food prices is apparent. Foods accounted for 56% of the jump.

To prevent the tendencies toward higher costs from forcing a widespread penetration of the price ceiling, four types of action have been taken by the Prices Board:

1. Reduction of costs where possible
  - (a) by modifying or remitting the payment of import duties and taxes;
  - (b) by the adoption of simplification, standardization and other measures to affect cost economics.
2. The sharing of "the squeeze" - dividing the increased cost among the producer, manufacturer and distributor.
3. The payment of subsidies.
4. Government bulk purchasing.

The Commodity Prices Stabilization Corporation, which was established by the Prices Board, operates much of the bulk purchasing and subsidy programs, except for subsidies paid to agricultural producers.

Three other subsidiary corporations have been organized: Wartime Food Corporation (to supervise or handle trading in certain foods and live cattle); Canadian Wool Board and Wartime Salvage Corporation (salvage waste materials).

Bulk purchases of several products, particularly imports, are made by the Commodity Prices Stabilization Corporation which distributes these products, when possible, through the normal channels of trade at prices commensurate with the retail price ceiling. Any trading losses involved in these operations are borne by the government.

Subsidies are paid in one of two ways:

1. The financing of trading losses incurred by the Commodity Prices Stabilization Corporation on some of its bulk purchases.
2. Direct payments to producers, importers or distributors. To simplify the task of administration, direct subsidies usually have been paid at the stage of production or distribution where there are the fewest firms. The milk subsidy, for example, is paid to distributors, who in turn pass it on to the milk producers.

The Department of Agriculture is responsible for any necessary diversion of meat products, poultry products and fresh or dried fruits or vegetables to the armed forces and other users with priority, in accordance with approved allocation schedules. Distribution to retailers and civilian consumers is the responsibility of the Wartime Prices and Trade Board.

The closest co-operation between these two organizations exists, and wherever possible the use of existing machinery and mutual use of employees and offices is arranged.



FOOD TO UNITED KINGDOM

Shipments of principal Canadian food products to the United Kingdom during the war years have been as follows:

	Pork Products Cwt.	Wheat Bu.	Wheat Flour Bbls.	Canned Fish Cwt.	Cheese Cwt.	Eggs Doz.
1939	1,860,000	61,870,000	2,980,000	368,000	811,000	1,020,000
1940	3,440,000	86,320,000	4,560,000	416,000	1,031,000	10,610,000
1941	4,600,000	139,440,000	7,800,000	1,018,000	890,000	15,250,000
1942	5,240,000	90,080,000	4,660,000	1,231,000	1,313,000	37,530,000
1943	5,670,000	96,800,000	7,670,000	920,000	1,300,000	40,500,000
<b>TOTAL</b>	<b>20,810,000</b>	<b>474,510,000</b>	<b>27,670,000</b>	<b>3,953,000</b>	<b>5,345,000</b>	<b>104,910,000</b>

Shipped in powdered form. Figures quoted show shell egg equivalent.

Canada now supplies:

- 10% of the United Kingdom's egg supply
- 25% of its cheese
- 35% of its canned fish
- 52% of its wheat
- 62% of its bacon

Although total imports of food into the United Kingdom from all sources have dropped during the war, imports of food from Canada increased by 40% during 1942.

During 1942 Canada placed \$1,000,000,000 to the credit of the United Kingdom for the purchase of Canadian war supplies. Of this amount, \$87,000,000 went for wheat, \$75,000,000 for bacon and pork products and \$20,000,000 for cheese.

EXPORTS TO ALL COUNTRIES

Not only have Canada's food exports to the United Kingdom increased during the war. The following table shows the value of such exports to principal countries:

	1939	1940	1941	1942	1943
	(in thousands of dollars)				
United States	\$112,206	\$100,590	\$124,080	\$126,745	\$291,130
Other North America	3,732	4,465	8,495	14,430	326,120
United Kingdom	151,553	214,314	274,017	260,422	12,478
Other Europe	24,421	8,804	2,511	8,395	24,478
Central America and Caribbean Area	8,151	11,305	17,659	18,711	4,711
South America	2,453	2,989	4,260	4,361	7,478
Asia and Far East	3,305	2,839	9,877	9,040	478
Australia	3,173	2,953	1,303	478	22,196
Africa	2,005	2,665	6,583	20,196	705,778
<b>TOTAL</b>	<b>310,999</b>	<b>350,924</b>	<b>448,785</b>	<b>462,778</b>	<b>705,778</b>

Principal food commodity exports to all countries during the war have been valued as follows:

	Fruits	Vegetables	Grains and Products	Fishery Products	Meats	Milk and Products	Eggs
	(millions of dollars)						
1939	\$ 10.5	\$ 10.3	\$155.4	\$28.9	\$37.4	\$18.2	\$



	Fruits	Vegetables	Grains and Products (million of dollars)	Fishery Products	Meats	Milk and Products	Eggs
1940	\$ 5.9	\$ 5.2	\$ 172.3	\$ 31.7	\$ 63.3	\$ 20.4	\$ 2.8
1941	5.8	5.3	231.	41.2	84.2	21.3	4.2
1942	4.6	5.4	188.8	49.8	110.4	34.3	9.8
1943	6.9	7.8	391.4	57.1	130.8	36.1	15.1

PRISONERS OF WAR PARCELS

Provision of food parcels for prisoners of war constitutes an appreciable drain on Canadian food supplies. By arrangement with the British Red Cross the Canadian Red Cross furnishes two-thirds of all food parcels sent to allied prisoners except Americans and the British Red Cross provides clothing and medical supplies.

The new Red Cross program call for the packing of 190,000 food parcels a week in Canada in an attempt to send one parcel per man per week. This is an increase of 90,000. The cost of these parcels will come to \$24,700,000 this year. It includes 80,000 parcels a week for British prisoners (including Canadian) in Europe, 80,000 a week for other allied prisoners in Europe, and 30,000 for British prisoners and civilians in the Far East. At present the Canadian Red Cross is budgeting to pay \$5,500,000 of the total. The British Red Cross pays \$5,395,000; the Australian Red Cross contributed \$1,105,000. The payment of the balance is under consideration and it is expected will be contributed by the Canadian government.

These parcels are not sent individually to prisoners, but are sent to the International Red Cross Committee in Geneva and distributed by it. The maximum weight of each parcel is 11 lbs.

The objective of the food parcels is to supplement the German diet from a nutritional standpoint. They are standardized and contain:

- |                           |                                  |
|---------------------------|----------------------------------|
| 16 oz. whole milk powder  | 8 oz. dried prunes               |
| 16 oz. butter             | 8 oz. sugar                      |
| 4 oz. cheese              | 12 oz. corned beef or other meat |
| 16 oz. jam or marmalade   | 16 oz. pilot biscuits            |
| 10 oz. pork luncheon meat | 1 oz. salt and pepper            |
| 8 oz. salmon              | 4 oz. tea                        |
| 4 oz. sardines or kippers | 2 oz. soap                       |
| 8 oz. raisins             | 8 oz. eating chocolate           |

INTERNATIONAL RELIEF

Canada has taken an important part on United Nations international food planning bodies. Canada was represented at the United Nations Relief and Rehabilitation Administration organization meeting at Atlantic City in November of 1943 by a group of experts in all the fields concerned with international relief. The official Canadian delegate to the conference was L.B. Pearson, minister counsellor at the Canadian Embassy in Washington; alternate delegate was Brooke Claxton, M.P., parliamentary assistant to the Prime Minister. The second meeting of the Council, the governing body of U.N.R.R.A. is to be held in Montreal.

U.N.R.R.A.'s financial plan for meeting the costs of relief supplies is based on contributions of 1% of their national incomes by those United Nations not occupied by the Axis. On this basis Canada's contribution has been estimated at between \$80,000,000 and \$90,000,000. At least 10% of this is to be in foreign exchange; the remainder may be in the form of a credit expendable for goods which U.N.R.R.A. requires within the contributing country.



Funds to implement the provisional commitment made by Canada at Atlantic City are provided by two measures. During April the House of Commons passed a bill to provide \$10,000,000 to cover Canada's share in the administrative costs of U.N.R.R.A. as well as to provide funds for any purchases of relief supplies which might soon be made in Canada. Remaining costs of U.N.R.R.A. are included in the 1944 mutual aid appropriation.

In the case of Canada, it is probable that a large part of the contribution will be in the form of wheat. The war in the Pacific has complicated shipping in that area, and it is unlikely that much Australian wheat could be made available for relief. The United States has heavy demands on its production of wheat and has in fact been buying wheat from Canada. Canada therefore is the supplier of wheat closest to Europe, and time and shipping space will be of the utmost importance in supplying relief when the countries of Europe are liberated.

The Canadian delegate to U.N.R.R.A. was appointed to head the important committee on supplies. This committee will advise the council, the central committee and the director-general of U.N.R.R.A. regarding the provision, financing and transport of relief supplies. A sub-committee of this committee will decide whether a recipient country is in a position to pay for the relief which it receives. Canada is also represented on the committee on Europe which will consider the relief needs of the European continent.

The only enemy-occupied country to receive shipments of Canadian food is Greece, which has been receiving 15,000 tons of wheat monthly since August, 1942, as a gift from the Canadian people to the people of Greece. It is estimated that this wheat prevents about one-half of the population of the country from starving. This wheat, along with other supplies from the United States and Argentine governments, is distributed in Greece by a Swedish-Swiss relief commission. It is estimated that from the initiation of the scheme to March, 1944, about 260,000 tons of wheat were thus sent into Greece.

Wheat and flour have already been sold to several of the enemy-occupied countries through their governments in exile, although most of it will not be shipped until these countries are liberated.

Belgium and the Netherlands have each bought about 7,000,000 bushels of Canadian wheat through their governments in London. These purchases were made before the setting up of U.N.R.R.A., and they will be taken into consideration when allocation of relief supplies in Europe is made. However, it is likely that both Belgium and the Netherlands, as well as other countries in western Europe, will pay for all the relief they receive.

During the famine in the province of Bengal in India, the Canadian government offered to contribute 100,000 bushels of wheat. This offer was immediately accepted by the Viceroy, Lord Wavell. Transportation difficulties, however, held up the shipment of wheat for some time.

#### PERMANENT WORLD FOOD ORGANIZATION

Canada also sent a delegation to the conference on food and agriculture in Hot Springs in May of 1943. It was headed by Dr. G. S. H. Barton, deputy minister of agriculture. L.B. Pearson, another Canadian delegate, was elected by the conference to head an interim commission which was given the job of drawing up a constitution for a permanent United Nations organization on food and agriculture. The interim commission has now completed this work, and the draft constitution has been presented to the United Nations for approval.

The permanent organization is to be concerned with long range food and agriculture programs, not with relief. Its job will be the problem of world rehabilitation -- the working out of satisfactory crop patterns, the raising



of nutrition levels and the general betterment of agriculture.

The basic conclusion of the conference was that the production of food must be increased if freedom from want is to be achieved. Goals for the achievement of health were set by international experts who indicated various measures which might be taken for that end, particularly the provision of dairy products and otherwise nutritionally desirable foods.

The conference recognized the fact that each nation must ensure that its own people are fully employed and that the general welfare of all nations would be promoted by ensuring to the producers a reasonable return for their labour.

Canadian delegates to the international food conference at Hot Springs advocated the lowering of tariff barriers and the utilization of economic measures designed to maintain high and generally stable levels of employment and of the national income.

The Canadian delegation submitted that these general recommendations would lead to the distribution of agricultural surpluses in a more effective manner than any scheme set up specifically for the disposal of temporary or chronic surpluses. The surpluses should be affected in two ways: 1. By increased consumption consequent on high levels of income. 2. By changes in the character of consumption, which in turn would direct production into channels more advantageous from the nutritional standpoint.

Canada did not repudiate, however, the idea of internationally held and financed buffer stocks on important agricultural and other primary products. The delegation's memorandum to the conference pointed out that Canada had suffered in the past from "disastrous fluctuations in the prices of these products." The importance of buffer stocks and the likelihood of great agricultural surpluses may diminish if the world is able to work out the plans of economic production and stable national and international economies as discussed at the conference at Hot Springs.

#### COMBINED FOOD BOARD

Canada was admitted to membership on the Combined Food Board on October 28, 1943. A message from President Roosevelt stated: "Canada's contribution to the war effort in the whole field of production and the strength which she has thus lent to the cause of the United Nations is a source of admiration to us all."

The minister of agriculture, Hon. J. G. Gardiner, represents Canada on the board. Other board members are:

##### United States

Hon. Marvin Jones,  
war food administrator.

##### United Kingdom

Hon. R.H. Brand, representing  
the minister of food,  
Col. the Hon. J. J. Llewellyn.

The United States secretary of agriculture, Claude R. Wickard, is chairman of the board.

The Combined Food Board was set up on June 9, 1942, by joint announcements of the Prime Minister of the United Kingdom and the President of the United States. Mr. Roosevelt's statement at that time defined the work of the board as "to co-ordinate further the prosecution of the war effort by obtaining planned and expeditious utilization of the food resources of the United Nations."

#### FOOD REQUIREMENTS COMMITTEE

To co-ordinate policies of food production and to supervise the preparation of information on Canada's food position, the government has set up the Food Requirements Committee, which works closely with the Combined Food Board. Present membership of this committee is as follows:

Chairman:

H.F. Angus, chief, Economic Division,  
Department of External Affairs.



Department of External Affairs:

H. H. Wrong, assistant under secretary of state for external affairs.

Department of Finance:

Dr. W. A. Mackintosh, special assistant to the deputy minister; M. W. Sharp, special assistant.

Department of Trade and Commerce:

Oliver Master, acting deputy minister; C.F. Wilson, agricultural statistics, Dominion Bureau of Statistics; T. G. Major, Commercial Intelligence Service.

Department of Agriculture:

Dr. G.S. H. Barton, deputy minister; Dean A. M. Shaw, chairman of the Agricultural Supplies Board; S. R. N. Hodgins, executive assistant.

Department of Fisheries:

Dr. D. B. Finn, deputy minister; Dr. Stewart Bates, special assistant.

Department of Pensions and National Health:

Dr. L. B. Pett, director of nutrition service.

Wartime Prices and Trade Board:

K.W. Taylor, foods administrator; Dr. G. E. Britnell, foods administrator.

Secretary:

J.A. Chapdelaine, Privy Council office.

#### CANADA-U.S. CO-OPERATION

In order to keep under constant review the mutual problems of agricultural adjustments and commodity movements between the two countries, the Canadian Minister of Agriculture, the Hon. J.G. Gardiner and other leading officials of Canada concerned with agriculture and food supplies, met in Washington at the invitation of the Secretary of Agriculture, the Hon. Claude R. Wickard, early in January 1943. After reviewing the production goals of the two countries and agreeing on certain adjustments in these goals, the conferees set up a standing agricultural committee of policy officials representing the two countries. This committee has met from time to time and with the aid of technical specialists has formulated recommendations in the coordination of food production in various fields including feed, meat animals, dairy produce and oil crops, protein foods, and beans, flaxseed and other commodities vital to the war effort. United States Secretary of Agriculture, Wickard, in presenting his report for 1943 says concerning this coordination of agricultural programmes of the two countries:

"This wartime cooperation will carry significant benefits into the post-war period, in that we shall undoubtedly find it highly desirable to keep in close touch with our neighbors in meeting post-war problems of agricultural adjustments."

(N.B.- See also section page 18 for Canada-U.S. co-operation in use of manpower)

#### FARM MANPOWER

Coincident with the greatly increased demand for food products during each year of the war, there has been a steady drain of manpower and womanpower from Canadian farms since 1939. It is estimated that approximately 400,000 men and 100,000 women have left the farms since the beginning of the war for service in the armed forces or war industries. The great majority of these people left the farms before selective service was introduced in March, 1942 to stabilize manpower on farms.

Despite a 23% decline of manpower on Canadian farms Canadian agricultural output has increased by 50%. The year 1943 witnessed the greatest production of livestock and livestock products in the nation's history. This tremendous



achievement has been largely accomplished by those left on the farms working harder than they ever have before. Thousands of instances can be cited where old men and old women have come back out of retirement to take the places of those from farms who have left to serve with the army, air force or the navy, or for employment in vital war industries.

It became obvious after the first two years of war that the drain of essential manpower from the farms had to be checked if the increased requirements of food were to be met. The introduction of National Selective Service policy and regulations in March, 1942, included special provisions for stabilizing the farm working force. These special provisions made it illegal for essential farm workers to accept employment outside of agriculture except under certain special conditions which applied only during the winter season. During that season temporary permits might be issued to farm workers for employment outside of agriculture if they could be spared from their farms.

This stabilization policy has kept in agriculture thousands of essential experienced workers who would otherwise have left the farms. Managers of government Employment and Selective Service offices have repeatedly been advised of the importance of this feature of National Selective Service and have been instructed that it be rigidly enforced.

Prior to the introduction of National Selective Service in March, 1942, farm workers were accorded the same treatment as all other workers in regard to the receiving of postponements of military training. In order that the stabilization of essential manpower on the farms be as far reaching as possible, the mobilization regulations were amended in March, 1942, and a special provision included for the postponement of essential farm workers. This provision required special consideration to be given to men employed in agriculture who, after receiving an order for medical examination, made application for postponement as essential farm workers. Unless the boards were satisfied that such workers were not essential to agriculture, postponements were to be granted. Also the regulation provided that postponements were to be given "until further notice," whereas definite time limits were to be placed on postponements given to workers in most other industries."

During the summer of 1943, meetings were held with all the mobilization boards for particular discussions on farm labour. The object of the meetings was to familiarize the mobilization boards with the Dominion-Provincial Farm Labour Organization and to co-ordinate more closely the activities of each of these organizations in supplying farm labour. One of the most useful results of these meetings has been a more effective distribution of the farm workers who apply for postponement. At present, in the majority of provinces, if a farm worker applying for postponement is not considered essential on his own farm, he may receive postponement on condition that he accept employment on another high productive farm with a shortage of help.

Since March, 1942, more than 90% of all the applications received from farmers for postponements have been granted by the mobilization boards.

#### NEED FOR SPECIAL MEASURES TO SUPPLY ADDITIONAL FARM LABOUR

With the increased demand for food and the loss of manpower from the farms, it was clearly evident late in 1942 that if the desired production was to be attained in 1943 special measures would have to be adopted to supply additional help for farmers. Two farm labour problems in particular had to be met. First, there was the need for a larger number of experienced year-round workers to meet the requirements for the increase livestock and dairy program. Secondly, plans had to be developed for the supplying of a larger number of seasonal workers to meet harvest labour requirements. Following is an outline of the measures taken:

#### DOMINION-PROVINCIAL FARM LABOUR AGREEMENTS

The Dominion's policy with regard to farm labour was announced by the Minister



of Labour in February, 1943. Immediately after this announcement of policy, discussions were held with all provinces. These discussions led to the signing of a farm labour agreement with the Dominion by every province. In 1942 agreements had been negotiated with only six of the provinces.

These agreements provided for united action by the Dominion and each province in the recruiting, transporting and placing of farm workers, together with measures designed to utilize the existing labour in agriculture to the best advantage. The agreements provided on a 50-50 basis for a maximum expenditure of \$510,000 by the Dominion, which was estimated as one-half of the amount that would be involved in carrying out the farm labour program. Later a further \$60,000 was made available by the Dominion (P.C. 28/7430) for contributing on a dollar for dollar basis with each of the three Prairie provinces to costs which might be incurred in moving harvest equipment from area to area as it was needed.

In addition to this the Dominion made available a maximum of \$300,000 to provide for transporting farm workers from one province to another and \$50,000 for general publicity to encourage people from cities and towns to help on the farms.

Out of the Dominion-provincial farm labour agreements have developed extensive programs to mobilize, transport and place farm labour. In each province there is a Dominion-provincial committee on farm labour. On this committee in most provinces is the provincial minister who signed the agreement, his deputy minister, other provincial officials and regional and local officials of the Employment Service. These committees decide what kind of farm labour recruiting and placement program is to be operated. The detailed administration of the program is the responsibility of an official of the province appointed for this purpose. These men in all provinces are called the directors of the Dominion-provincial farm labour programs.

Local committees have been organized in every province by the provincial agricultural field men. The committees' functions are: To stimulate agricultural production, provide for the most effective use of local labour and equipment and recruit men for other essential work when they are not needed on the farms. In some provinces these committees give valuable assistance in supplying information as to the essentiality of the farming operations of farm workers applying for postponement of military training.

ASSISTANCE FROM THE ARMED FORCES

(i) Air force leaves - Air force personnel were made available during 1943 through the granting of six-weeks seeding and harvesting leaves to men and women to work on their own or relatives' farms. During the fall there were 4,326 airmen on harvest leave. The distribution of these was as follows:

Ontario.....	698
Saskatchewan.....	1,675
Manitoba.....	534
Alberta.....	918
British Columbia.....	82
New Brunswick .....	118
Nova Scotia.....	92
Prince Edward Island.....	76
Quebec.....	138
	<u>4,326</u>

In 1944 provision has been made for the granting of spring farm leaves up to a maximum of two months to men in the air force to work on their own or their parent's farms.

(ii) Compassionate farm leave - In the spring of 1943 the Department of National Defence issued a special order to provide six-weeks farm leave for certain army personnel. Leaves were granted up to a certain percentage of unit



strength for men who could be spared from their units to help on their own farms or on those of immediate relatives. In July a special order was issued by the Department of National Defence extending the maximum period of farm leave from six weeks to six months. The Department of Labour paid for railway fares up to 500 miles and for a suit of work overalls for each man obtaining farm leave under the July order.

The number of these leaves in effect during the late summer and fall of 1943 was as follows: August 31, 6,185; September 30, 8,145; October 31, 6,987; November 30, 4,834, and February 29, 1944, 4,058. The maximum number of these men were out in September at the peak of the harvesting season. Their distribution by military districts was as follows:

M.D. No. 1 .....	821
2 & Borden.....	828
3 & Petawawa.....	395
4.....	481
5.....	1,343
6.....	348
7.....	445
10.....	756
Pacific Command.....	122
M.D. No.12.....	1,638
13.....	803
NDHQ units.....	8
Div. No. 7.....	<u>155</u>
Total.....	8,145

(iii) Farm duty - In July an agreement was made between the Departments of Labour and National Defence for detailing soldiers on farm duty. According to the agreement the Department of Labour paid the transportation costs for soldiers detailed when such transportation was inter-provincial and shared the costs with the province concerned for moving the soldiers within the province. Each soldier on farm duty was provided with a suit of work overalls at the joint expense of the Department of Labour and the province in which he was detailed to work.

Soldiers detailed were allocated to farms under the supervision of the provincial directors of farm labour. The responsibility for collecting the wages owed by farmers for the services of the soldiers was placed with these directors. The Dominion and the province concerned agreed to share equally any losses incurred through failure to collect. Almost 100% collection was achieved in all provinces.

Definite wage rates were established which farmers were required to pay for the services of soldiers for each day they actually worked. These rates were as follows: \$3.00 a day in the Maritime and Quebec, \$3.50 in Ontario and \$4.00 in the western provinces. These rates included the regular army pay, and for days not worked the soldier continued to receive his army pay. The payment was not made to the soldier by the farmer, but the soldiers received what they earned from the paymaster of their units, and later the Department of National Defence collected from the Department of Labour the amount involved. Meanwhile the Department of Labour received the wages paid by the farmers through the provincial directors of farm labour and their field organizations.

About 2,500 soldiers were detailed under this plan. The totals indicated by provinces is somewhat higher than 2,500 because in some instances soldiers worked in more than one province. Soldiers were detailed for farm duty in all provinces, particularly for harvesting in the Prairies and for apple and potato picking in the Maritime Provinces.

The following table shows the total employed on farms in each of the provinces:



Province	Maximum Number Working at Any Time	Obtained from M.D.'s in Province	Obtained from M.D.'s Outside Province
P.E.I.	50		50 # 5 Quebec
N.S.	600	600	
N.B.	350	350	
Que.	5	5	
Ont.	85	85	
Man.	771	90	175 # 2 Toronto 81 # 3 Kingston 200 # 5 Quebec 225 Pacific Command
Sask.	516	58	393 Pacific Com. 65 # 4 Montreal
Alta.	462		235 # 4 Montreal 227 Pacific Com.
B.C.	21	21	

(iv) Spring and harvest leave from the army - The Canadian Army routine orders 3456 which provides for the army leaves was amended in the spring of 1944 to allow certain classes of soldiers who can be spared to be granted up to a maximum of two-months spring and harvest leave to work on farms. These are more than two weeks longer than those granted last year and are expected to augment considerably the labour available for farmers.

(v) Other help from the armed forces - By special arrangement with the Department of National Defence (Navy) 650 men from naval training centre at Deep Brook, Nova Scotia, were made available for apple picking in the province. These men were paid on the same basis as farm duty soldiers.

Substantial help was also received in most of the provinces from soldiers and airmen who during their short leaves assisted on farms in areas adjacent to their camps.

#### ORGANIZED FARM EXCURSIONS

The Dominion-provincial farm labour agreements provided for a 50-50 sharing of the costs of moving farm workers when transported within the provinces. In addition to this the Dominion undertook to pay the costs of transporting farm workers from one province to another.

#### TEMPORARY HELP FROM STUDENTS AND TOWNS-PEOPLE

An important activity under the Dominion-provincial farm labour program has been the effort to induce students and townspeople to assist on farms during their holidays and spare time. This type of help has been organized on an increasingly extensive scale for the last three years in Ontario and in 1943 was widely used by several of the provinces, particularly British Columbia. To give added assistance to this phase of the program the Labour Department sponsored an intensive advertising appeal early in the summer. In addition to the department's own advertising, display advertisements were prepared by the department for use by private companies wishing to support the work.

#### TREATY INDIANS

Treaty Indians in reserves were encouraged to take employment on farms. More than 300 in Alberta assisted in the spring with the threshing of grain left over from 1942. During the fall 535 Indians from reserves in the north of Manitoba, outside the agricultural area, were brought down to assist with harvesting in the provinces. In Saskatchewan 3,000 Treaty Indians were employed in harvesting. None, however, was transferred from the non-agricultural areas in the north of the province.



### CONSCIENTIOUS OBJECTORS

Order-in-Council P.C. 2821 passed in April, 1943, changed the regulations governing the distribution of conscientious objectors who had been postponed as such by the mobilization boards. Prior to this order conscientious objectors were directed to alternative service camps. The new order provided authority for alternative service officers to direct these postponed conscientious objectors to employment where their services could be utilized to the best advantage in the national interests.

Because of the shortage of farm labour and because the great majority of these men were from farms, agriculture was singled out in the order as the industry which should logically have their services.

Evidence that this objective has been kept in the forefront by the alternative service officers is found in the fact that in a total of 8,858 conscientious objectors postponed, more than 5,160 were working on farms as at December 31, 1943. The order provided that postponed conscientious objectors in agriculture should be put under contract with their employers. The farmers were to pay \$25 a month plus board and lodging to each conscientious objector employed, and the difference between this, the going wage to be paid to the Canadian Red Cross. Since the passing of this order conscientious objectors on farms are being placed under contract as rapidly as possible. There are, however, many details to be arranged for each contract, and at December 31, 1943, 3,160 were under contract with farmers.

Early this spring arrangements were completed for the return of virtually all conscientious objectors who were experienced farmers from alternative service camps to their provinces of origin. This has resulted in a welcome addition to the permanent farm labour force. Details were worked out with the alternative service officers in co-operation with the directors of the respective Dominion-provincial farm labour programs for placing these conscientious objectors on farms where they were most urgently required.

### CANADIAN JAPANESE

The Canadian Japanese moved from the coastal areas in British Columbia have furnished about 5,000 extra workers for Canadian farmers. About 3,000 in Alberta and 1,100 in Manitoba were employed on sugar beet farms during the summer months; the remainder are employed on fruit, vegetable and poultry farms in Ontario and British Columbia.

An agreement was in effect between the Dominion and Ontario governments for the employment of these men on Ontario farms during 1943. Arrangements have been made for its renewal, with certain modifications, for 1944 to provide for the transfer of a number of Canadian Japanese from British Columbia to the sugar beet farms in the vicinity of Chatham, Ontario.

### PRISONERS OF WAR AND INTERNEES

In the spring of 1943 a project was organized for the use of prisoners of war on sugar beet farms in the Lethbridge area. The men were transported daily from the camp to the various farms where they were employed. Although 400 were available for employment, not more than 80 were used at any one time. These men continued to be engaged by farmers in the area until the beets were harvested in the fall.



Two projects to provide permanent help for farmers were organized for the placing of prisoners of war on individual farms. One of these is in the Metcalfe area of Ontario where about 65 prisoners are employed, and the other is in the Brooks area of Alberta where 100 are employed.

Through arrangements made with the immigration authorities and the Department of National Defence, a small number of interned merchant seamen from the internment camp near Fredericton, New Brunswick, were employed on individual farms in the province. This project was conducted last year as an experiment, and the number used was only about eight.

Plans are already being made for more extensive employment of prisoners of war on farms in 1944. It is now being arranged to establish a camp for 200 or 300 men in the Chatham area where the men will work on sugar beet farms.

#### REJECTS AND DISCHARGED MEN

Arrangements were made in the summer with the Department of National Defence for stationing Selective Service officials at army reception centres to refer rejects and discharged men to essential employment. Later an order-in-council, P.C. 7260, September 16, 1943, provided authority for the compulsory direction to specific employment of recruits who had been called for compulsory military service but who because of some physical condition were not required to report for military training.

Plans are now being developed in co-operation with directors of the Dominion-provincial farm labour programs to have rejects with agricultural experience placed on high productive farms which are in need of labour.

The possibility of having discharged men with experience in agriculture directed to farming is also being investigated.

#### COMPULSORY LABOUR TRANSFER ORDERS

Agriculture was one of the high priority industries listed to obtain men under the first labour transfer order. Under this order, single men, physically fit and experienced in farm work, were to be directed from certain less essential industries to agriculture. Through this activity some permanent help for dairy and livestock farms has been supplied. Already some 562 men have been so directed to farmers who were prepared to pay them at least \$40 a month and board as stipulated in the order.

#### TRANSFER OF HARVESTING EQUIPMENT

In furtherance of its policy of encouraging the most effective use of farm labour and equipment the Dominion Department of Labour made available an additional \$60,000 under the Dominion-provincial farm labour agreements to provide on a 50-50 basis with the Prairie Provinces concerned probable costs of transferring harvesting equipment from dried out areas in the west or from areas where work was completed to districts where this equipment could be used.

Because of favorable harvesting conditions and a light crop in many districts no great need for moving equipment developed. The number of machines moved under this arrangement would be less than 50.

#### CANADA-U.S. EXCHANGE OF FARM LABOUR

In mid-summer an agreement was entered into between Canada and the United States for the exchange of potato workers between the province of Quebec and the state of Maine. The workers from Quebec were to come from areas adjacent to the Maine border, and their number under the agreement was limited to 75 men and 2,000 women. The total number to cross from Quebec to Maine was 208, of whom considerably more than half were women or boys under 16 years of age. In addition to these, 255 workers crossed from Manitoba to North Dakota to pick potatoes. No workers were allowed to go from New Brunswick as the peak potato picking season



This quota represented an improvement of about 130% over the previous situation. The quota for repair parts was fixed on the basis of 156% of the normal output. In addition there was some expansion in the types of machines, and certain smaller items were removed from rationing regulations.

In 1945, total tonnage of farm machinery production will be approximately one-half the tonnage manufactured during 1940 and 1941. There will be no restriction on production of spare parts for farm machinery.

Canadian manufacturers and importers will be permitted to commence production and import of 1945 equipment quotas on July 1, 1944, but as it takes approximately six months to produce most machines after ordering materials, very little of the 1945 quotas will reach Canadian farmers before January, 1945.

Expansion of quotas does not necessarily mean that this much machinery is produced. These quotas are modified by the availability of machinery and the labour supply. While the supply situation has eased as far as some materials are concerned, shortage of manpower and consequent difficulty in obtaining adequate supplies of steel sheets, malleable castings, ball and roller bearings and motors prevents unrestricted output.

Comparisons of current steel tonnages allocated to the implement industry as compared to 1939 are not indicative of the relative farm machinery output in these years. Steel for the production of implements is obtained from both the United States and Canada, but since the outbreak of war Canadian machinery producers have obtained much larger proportions of their steel requirements from Canadian sources than from the United States. While steel from Canadian sources for the production of farm equipment in Canada in 1945 may be 271% of Canadian steel consumed for this purpose in 1939, this does not by any means indicate that the output will represent the same percentage of 1939 production.

The tonnage devoted to the 1945 manufacturing program will be confined to types of machinery designated by Canadian agricultural authorities as essential to Canada's production of foodstuffs.

In addition to the tonnage of farm equipment being made available for ordinary domestic use, Canadian manufacturers are being asked to produce an additional tonnage of equipment specifically for the establishment of war veterans on the land. Canada's contribution of farm equipment for rehabilitation under the United Nations Relief and Rehabilitation Administration program will also entail an additional tonnage.

An agricultural machinery committee of the Combined Production and Resources Board and the Combined Food Board was set up in December of 1943. The terms of reference of this committee are:

"To assemble all pertinent facts and recommend supplies, production and distribution of agricultural implements and machinery and food processing machinery."

J.S. Duncan, president of Massey-Harris Company, Limited, farm implement manufacturers, is chairman of the committee. Herbert H. Bloom, administrator of farm and construction machinery of the Wartime Prices and Trade Board, represents the Canadian section. The committee will co-ordinate civilian requirements of the supplying countries as well as the needs of liberated areas as they are presented by such agencies as U.N.R.R.A.

Under the rationing system set up for farm machinery, manufacturers and importers are required to make equitable allocation of available supply to each province. A farm machinery ration officer, thoroughly conversant with farm conditions and the agricultural implement business, is attached to the Wartime Prices and Trade Board in each province. Ration advisory boards sit on applications from farmers and advise the local rationing officer. Members of the boards are leading farmers and other men interested in agriculture.

Among the regulations put in force which are designed to ensure the fairest possible distribution of new equipment are these: 1. A dealer must not divert to his own use machines which were obtained for sale to customers without permission from the rationing board. 2. Farmers must not sell used machines simply with the



idea of obtaining similar new equipment. 3. Farmers previously refused application for new machinery must not make further application through relatives.

FARM INCOME

Success of the Canadian price control policy rests to a large extent on the stability of farm prices. The effect of variation in farm prices on all other goods and services, as well as wages and salaries, is obvious -- one-third of the typical family's cost of living goes for food. Any increase in consumer food prices raises the cost of living immediately. Virtually the entire increase in the cost-of-living index since the price ceiling was introduced has been the result of higher food prices.

For this reason, the Dominion government has undertaken to keep food prices stable and at the same time to do everything possible to ease the heavy wartime burden of the farmer.

Since 1939 the official price index shows that the prices of farm products on the average have risen 43%. If wheat is left out of the calculation--and wheat continues to present a special problem -- the figure rises to 50%, without allowing for certain subsidy payments, such as the current payments on butterfat. To the objection that agricultural prices have been at a low level, the Prices Board points out that, from the outbreak of war until fall of 1941, when the price ceiling was imposed, farm prices had shown a very substantial improvement, and since the institution of the price ceiling, more price adjustments have been granted on farm products than on anything else.

Excluding wheat, farm prices are now 7% higher than the "prosperity" period from 1926 to 1929. Including even wheat the index is only 9% below the level of the "prosperity" period.

According to official estimates, the cash income of Canadian farmers reached a new high level in 1943 when the estimated returns from the sale of farm products totalled \$1,397,000,000. This represents an increase of \$282,000,000 or 25% over 1942, and is up \$674,000,000 or 93% over 1939. Higher income is reported from all provinces, and with few exceptions the increase is common to all various sources of income.

The greatest percentage increases occurred in the Prairie Provinces where, despite a reduced harvest, sales from the previous year's crop were substantial. The returns from livestock were also substantially greater in the Prairie Provinces, particularly in Saskatchewan and Alberta. Poor crops in the eastern provinces resulted in a reduction in cash income from the sale of grains in these provinces, but the declines were offset by greater income from the sale of livestock and livestock products.

In addition to the cash income from the sale of farm products, farmers received in 1943 substantial supplementary income in the form of Dominion and provincial government payments which are not included in these estimates.

Cash Income from the Sale of Farm Products in Canada, 1926 to 1943  
(Million Dollars)

1926.....	957.6	1932.....	383.5	1938.....	664.3
1927.....	934.0	1933.....	396.6	1939.....	722.3
1928.....	1,063.8	1934.....	485.3	1940.....	765.8
1929.....	926.7	1935.....	511.3	1941.....	914.0
1930.....	632.1	1936.....	578.2	1942.....	1,114.9
1931.....	445.1	1937.....	645.7	1943.....	1,396.6



in that province and in Maine came at the same time.

Late in the fall the United States officials requested more help. As regular workers were not available because of the shortage of help in Canada, arrangements were made for college students from Quebec to go to Maine. Ninety-three students from Oka College near Montreal took advantage of the arrangement.

A movement of labour in the other direction had taken place in the summer when approximately 1,469 experienced tobacco workers came in from the United States to help in the tobacco growing area of western Ontario.

#### FARMERS WORKING IN OTHER INDUSTRY IN OFF SEASONS

Even with the reduced numbers of workers on farms, Canada's farmers have not remained satisfied with having achieved the greatest food production in the country's history. They have been anxious to engage in other essential war work during those months of the year when work on the farms is not at the peak. Last fall and early winter thousands of farmers, farmers' sons and other farm workers responded to an appeal and went into the woods, mines, food processing plants and other essential industries. The fundamental principle of this campaign was that only farmers who could be spared from their farms during the winter should answer the appeal, and that all should be released in the spring to return to the farms. This principle was emphasized and re-emphasized in an extensive publicity campaign conducted as part of the recruiting program.

This temporary help from farmers greatly eased a critical labour shortage in many of these industries. Active assistance from provincial fieldmen and local committees made possible a more thorough checking to see that farmers needed on their farms during the winter remained there, and also through this assistance a much more complete record has been obtained of those entering other industries.

#### 1944 PROGRAM

The farm labour program for 1944 is again actively under way in all parts of the country. Recently Labour Department officials visited all the provinces to renew the Dominion-provincial farm labour agreements. Every province has expressed a desire to enter into another farm labour agreement with the Dominion and to carry on an active joint farm labour program this year.

#### FARM MACHINERY

The difficulty in obtaining new farm machinery has further complicated the farmer's task. In the depression years of the early 30's, farm machinery on many Canadian farms fell into disrepair; machinery which was worn out was not replaced to the extent that was needed for an all-out production program. With the outbreak of war, manufacturers of farm machinery switched their plants to the more immediate task of munitions manufacture, and the existing equipment on Canadian farms was called on to set the greatest food production records in the country's history.

Under an order of October, 1942, a quota restricting the manufacture and importation of new farm machinery to 25% of the 1940 allotment was set. This situation was eased somewhat by the provision that repair parts were available to 150% of the tonnage distributed in 1940. In March, 1943, the quota on new machinery was raised to 35% of the 1940 output.

For the 1944 period - from July 1, 1943 to June 30, 1944, a quota of farm equipment equal in tonnage to approximately 77% of the normal output was established.



In view of the large stocks of grain on farms in the Prairie Provinces at the beginning of 1944, together with somewhat higher prices, it is probable that cash income from the sale of these products will be well maintained in 1944. Indications are that although some increase may be experienced in the output of livestock and livestock products, the peak of production has about been reached in most provinces.

Farmers' expenses have also risen. Wages of farm labour in Alberta between 1940 and 1942 rose on an average from \$30 to \$62 a month plus board. There have been increases in prices of feed, equipment and supplies, but on the whole the increase in farm living and operating costs has not risen nearly as much as farm selling prices.

The prices paid to farmers have been increased by subsidies. Middlemen, distributors and processors have in some cases been forced to absorb part or all of the increased prices paid to the farmer.

The list of subsidies now being paid to benefit the farmer as a consumer includes those on pesticides, fertilizers, copra, soy bean meal, molasses and alfalfa meal. Measures have also been taken to assist farmers to obtain necessary supplies which may have been shut off because of wartime difficulties in transportation or the operation of government pools in other countries. Bulk purchases of such things as essential protein feeds are being arranged by the Prices Board and the Commodity Prices Stabilization Corporation through other governments.

A shifting floor beneath a fixed ceiling has been avoided for the farmer in many cases by guaranteed minimum prices. This has been done so that the farmer will not be penalized if he goes ahead to increase production at the request of the government. Minimum prices have been established for wheat, oats, barley, flaxseed and soy beans. Undertakings for market support have been given directly in regard to beef cattle and butter, and the operation of export contracts provides a practical floor in respect to hogs, cheese and eggs.

#### POST-WAR PLANS

The Canadian government in drawing up plans for post-war reconstruction has given particular emphasis to requirements of agriculture. Two committees set up by the government have already submitted reports for the consideration of Parliament, and the government has forecast certain legislation concerning post-war agriculture, which it intends to introduce during the 1944 session. The Advisory Committee on Reconstruction (the James Committee) composed of persons prominent in the fields of education, agriculture and labour, submitted a report which was tabled in the House of Commons at the beginning of the session and which extended over the whole field of Canadian post-war problems. In the main report itself and in the report of the sub-committee on agriculture several definite recommendations were made. Among them were these:

That Canada should take the lead in urging the reduction of every kind of trade barrier.

That Canada should give assistance to an international board which would endeavour to promote the raising of nutritional standards throughout the world by the encouragement of economic growing patterns. It can be shown that higher nutritional standards in many countries can only be reached if such countries instead of keeping land in uneconomic wheat production are willing to import wheat and turn a large part of wheat acreage to production of meat, milk, butter, eggs and similar foods which, unlike wheat, cannot be advantageously imported.

That similar efforts should be made to raise nutritional standards in this country. When changes in growing patterns mean new machinery or capital investment of some kind, assistance involving adequate credit facilities may be necessary.



That steps should be taken to insure that Canadian beef and cattle again find their place in the United States market. Prices resulting from access to the United States markets are reflected throughout Canada and result in higher prices for all.

That the government should give support to the utilization of agricultural products in industry. The committee suggested a research program to include such experiments as the production of plastics from farm waste, the manufacture of paper from straw, the use of oil seeds, the production of grain alcohol in local plants and food dehydraters for each farm.

That the first step to be taken for post-war agricultural reconstruction should be a complete classification of all agricultural land in every province based on yield and economic sources. Sub-marginal land should be withdrawn from use for crop production and used only for such purposes as are consistent with its productive capacity. This recommendation is particularly important in connection with the rehabilitation of servicemen. A prime reason why the Soldiers' Settlement Act of World War I failed to achieve complete success was that in many cases men were settled on land which was not capable of economic production. Although little publicity has been given to this work, the Canadian government has been conducting a program of land surveys and will be much better prepared to deal with this problem at the end of the present war.

That the government should take some steps to aid the economic stabilization of the farming industry and to force interest rates to a lower level. Provision of farm credit has been approached from several aspects; in particular, there is a wide interest throughout the country in farm credit unions. Canadian farmers have taken notice of the government support of credit unions in the United States through the Farmer Credit Administration.

That every effort should be made to provide a larger proportion of the amenities of life in rural areas. Improvement of secondary roads, rural electrification schemes, government assistance in planning, renovating and improving farm places and acquiring labour saving devices for farm homes are some of the measures which are recommended.

The Committee on Reconstruction of the House of Commons, composed of members of the House, also presented a report at the opening of the 1944 session. This committee made recommendations along lines similar to those of the Advisory Committee on Reconstruction. It welcomed the Prime Minister's statement that a floor would be put under prices on farm products. It urged co-operation between provincial and Dominion governments in the installation of rural electrification, urged the extension of credit facilities to farmers and singled out for special mention the possibility of the encouragement of credit unions. It commented generally on the excellence of the co-operative movement, particularly with reference to Saskatchewan and Nova Scotia and the fishing industry in Quebec.

#### WARTIME GARDENS

Approximately 115,000,000 pounds of vegetables were produced in 1943 in wartime gardens in Canadian urban centres with a population of 1,000 or more. The estimated total number of such gardens was 209,200 and the production per garden about 550 pounds.

It has also been estimated that one urban household in every seven had a wartime garden in 1943. There were about 15 per cent more gardens in 1943 than in 1942 and about 24 per cent more than in 1940.

Of the total volume of vegetables produced about 37 per cent were potatoes; 14 per cent tomatoes; 10 per cent carrots; 6 per cent beets; 4 per cent cabbage; 4 per cent beans; and 3 per cent of each of the following: onions, cucumbers, rhubarb and turnips. Peas and sweet corn each represented 2 per cent of the total and all the other crops were 1 per cent or less of the total quantity produced.



GROSS VALUE OF FIELD CROPS

The gross value of the principal field crops produced on Canadian farms in 1943 is estimated at \$1,104,065,000. Although somewhat below the high record of 1942, the 1943 values are relatively high in comparison with previous years. The decline from 1942 is attributed to the reduction in the volume of production, particularly in the case of wheat in the Prairie Provinces and all grains in Ontario and Quebec as a result of phenomenally late seeding and a wet summer. Better prices at the farm for most grains have operated to offset partly the decline in yields. A comparison of the annual value of field crop production since 1932 follows:

1932.....	452,526,900
1933.....	453,598,000
1934.....	549,079,600
1935.....	511,872,900
1936.....	612,300,400
1937.....	556,222,000
1938.....	550,069,000
1939.....	685,839,000
1940.....	676,682,000
1941.....	683,889,000
1942.....	1,179,073,000
1943.....	1,104,065,000

WHEAT

According to the third estimate released by the Dominion Bureau of Statistics on January 21, 1944, Canada's 1943 wheat crop totalled 293,700,000 bushels and was valued at \$298,200,000; the 1942 crop of 556,000,000 bushels was valued at \$385,000,000.

In 1943 Canadian farmers seeded about 17,500,000 acres to wheat. The objective set for 1944 called for the same acreage.

The Canadian wheat surplus at January 1, 1944, was estimated at 621,000,000 bushels, 132,000,000 less than at the same date in 1943.

It is estimated that the carry-over of wheat in July, 1944, will amount to about 330,000,000 bushels, compared to more than 600,000,000 bushels in July, 1943. Trade Minister MacKinnon, whose department is in charge of the marketing of wheat, commented in the House of Commons on April 27, 1944:

"Given adequate transportation, the crop year 1944-45 will see our wheat stocks reduced to a nominal figure."

Mr. MacKinnon disclosed in a press interview on April 22 that total utilization of Canadian grain in the crop year 1943-44 will probably be 1,100,000,000 bushels. Prospective disappearance of commercial stocks of all grains during 1943-44 is 635,000,000 bushels, twice the rate of disappearance during the first year of the war, and nearly 200,000,000 bushels greater than during the crop year 1942-43. When farm consumption of more than 500,000,000 bushels is added to this commercial disappearance, total utilization of grain in the present crop year will amount to more than 1,100,000,000, the minister said.

Total exports of wheat and flour in the 1943-44 crop year from August to December, 1943, totalled approximately 100,000,000 bushels, 38,000,000 bushels more than in the same period of the 1942-43 crop year.

Canadian exports of wheat and flour to all destinations during the five crop years 1938-43 totalled 1,017,624,000 bushels, and 1943-44 exports promise to be considerably higher than the average of those five years.



During the two years up to mid-November, 1943, purchases of wheat by countries included:

Country	Bushels
	Wheat and Flour
United Kingdom.....	299,700,000
United States.....	43,500,000
Soviet Union (under Canadian-Soviet credit agreement)....	6,469,775
West Indies and British Guiana.....	11,500,000
Newfoundland.....	3,400,000
	<u>Wheat</u>
Portugal and colonies.....	23,200,000
Eire.....	7,600,000
Switzerland, via Genoa.....	6,700,000
Spain.....	1,400,000

The latest estimate of 1943 wheat production is 293,704,000 bushels, compared with the 1942 production of 556,121,000 bushels. In recent years there has been a substantial reduction in the wheat acreage under the wheat acreage reduction policy and an increase in the acreage of feed grains which have been required for increased livestock production. The yield per acre of wheat and feed grains was smaller in 1943 than 1942 as a result of the unfavorable weather conditions.

As there was a record carry-over of 601,500,000 bushels of wheat when the present crop year opened on August 1, 1943, the 1944 objective for the acreage sown to wheat, 17,500,000 acres, shows no change from 1943. Because the price for wheat is higher, however, an increase in acreage is possible.

Canadian wheat is now being sold on world markets by the Canadian Wheat Board for prices up toward \$1.50. The initial price paid by the Board is now \$1.25 a bushel. Every farmer who delivers wheat under the present government program is given a participation certificate which entitled him to the earnings of the wheat which is delivered to the markets of the world.

Marketing of wheat in western Canada in the year ended July 31, 1943, was restricted to 15 bushels an authorized acre, to bring deliveries up to the authorized marketing level of 280,000,000 bushels.

On February 3, 1944 Minister of Trade and Commerce Hon. J.A. MacKinnon announced that the Canadian Wheat Board regulations were being amended to permit the delivery of 18 bushels of wheat per authorized acre during the present crop year.

TRANSPORTATION OF GRAIN

Canada is a country of great distances and one of the most difficult problems which Canadian food producers have had to face during wartime is that of transportation. For example, the United States wishes to buy parts of the Canadian wheat and feed grain surpluses, and Canada has been willing to sell, but a lack of transportation has held up the movement of these grains. Transportation systems cannot be built up overnight and especially not in wartime. During this war the factories which manufacture rolling stock for Canadian railways have been turned over to the production of tanks. Factories which produced steel rails during the war have turned to other forms of munitions and since 1939 the volume of traffic moving over Canadian rails has been increasing steadily. In 1942, the last year in which figures are available, the two principal railways carried 119,517,000 tons of freight. This was an increase of 48,468,000 tons or 68% more than that carried in 1938, the last full year of peace-time activity. This increase is wholly attributable to the war. While final data have not been compiled for 1943 operations, preliminary reports indicate that the activities of both the great Canadian railroad systems reached the highest peak in history last year.

Mr. Mark Upson, director of the U.S. War Food Administration, Transportation Division, described the situation succinctly when he told a meeting of the Lower Lakes Grain Committee on February 4, 1944, "no one knows how much grain will be moved down the lakes...We are trying to get every bushel of wheat we can from Canada...The bottleneck in 1944 lies in the amount of grain Canada can move to the lake heads."



Mr. Upson said that 2,700 freight cars from U.S. railroads have been sent to Canada to bring in wheat, mainly through the Duluth gateway. It is understood that the U.S. government plans to import 40,000,000 bushels of wheat from Canada by rail this year.

In a move to relieve feed shortages in the poultry and dairy industries of the United States, President Roosevelt on April 30, 1943, removed the quota restrictions which had been set on Canadian and Australian wheat and wheat-flour imports on May 28, 1941. The relaxation of these restrictions applied only to purchases by the United States War Food Administration.

On February 14 Trade Minister MacKinnon announced in the House of Commons that the United States War Food Administration, through the Commodity Credit Corporation, was making plans to buy 175,000,000 bushels of wheat from Canada during 1944. Of this total, 40,000,000 bushels were intended to be moved by rail in United States cars from western country points, 30,000,000 bushels by vessel from Vancouver and other Pacific points, and 105,000,000 by lake during the 1944 season of navigation.

Purchases by the United States Commodity Credit Corporation are being made from time to time in broadly corresponding quantities for which transportation commitments can be made.

Mr. MacKinnon also announced that from December 13, 1943 to mid-February the United States had delivered a total of 5,561 freight cars owned by United States railways for the transportation of Canadian wheat to the United States. The volume of all rail shipments of wheat to the United States will depend largely on the number of cars which the United States can deliver.

Since the wheat was brought by the United States Commodity Credit Corporation, a United States government agency, the question of duty does not arise. Further to ease the shortage of feed grains in the United States, Congress passed a bill suspending all duties on foreign grain coming into the United States for feeding purposes. This measure was to be effective for three months from January 1 to March 31, 1944 but before the expiration of the suspension a further measure was passed to extend the period another three months to the end of June. Included in the second 90-day order was a provision to cover also the duty-free importation of oats for human consumption.

The United Kingdom has been the heaviest buyer of Canadian wheat and flour during the war years. The measure in volume compared with pre-war years is seen in the following table, compiled by calendar years:

	Bushels Wheat and Flour
1942.....	124,704,567
1941.....	211,376,735
1940.....	137,554,318
1939.....	80,936,648
1938.....	66,547,298
1937.....	70,278,121

Canada has accepted a United Kingdom order for 1,000,000 tons of flour, and efforts are being made to increase production in flour mills. Production of wheat flour in Canadian mills for the 1942-43 crop year ended with the highest output on record, 23,549,707 barrels. (A 196-pound barrel of flour is the equivalent of 4½ bushels of wheat).

FEED GRAINS

The acreage objective for oats in Canada in 1944 was set at 16,400,000 acres at the Dominion-provincial conference, an increase of 6% over the 1943 area. Barley acreage at 8,500,000 acres is 1% above 1943, while the area to be seeded to mixed grains was recommended by the conference at 1,700,000 acres, an increase of 20% over 1943. A larger area to be seeded for corn for husking was also proposed, and the conference agreed to set the objective at 393,000 acres or 53% above the seeded area in 1943.



Objectives in some cases were not met in 1943, in large measure because of unfavorable weather conditions, particularly in eastern Canada. Given a favorable season in 1944 it is expected that the new objectives will be reached.

FREIGHT ASSISTANCE POLICY

In the fall of 1941 it was found that a shortage of feed grains and supplies in Eastern Canada was likely to hamper increased production of hogs and other livestock. Consequently the Dominion government undertook to pay freight rates on feed grain moved from the Prairie Provinces to eastern Canada or British Columbia. Export of feed supplies from Canada was stopped. In addition, the government took steps to encourage the greater use of fertilizer and fertilizer materials in eastern Canada and British Columbia.

Claims paid under the Dominion freight assistance policy from August 1 to December 31, 1943, indicated a movement of nearly 45,000,000 bushels of wheat, oats and barley from the Prairie Provinces to deficiency areas. During the entire 1942-43 crop year, only 58,000,000 bushels were so moved.

From the initiation of the free freight policy in October, 1941, up to the end of 1943 the Dominion government paid out approximately \$25,000,000 in claims which have been of direct assistance to livestock producers. In addition, a further \$2,600,000 was paid out in a form of a drawback on western wheat fed to livestock from August 1, 1942, to December 31, 1943, and \$39,000 in 1943 as an alfalfa meal subsidy. Thus total feed subsidies to the end of 1943 amounted to approximately \$29,000,000.

WHEAT ACREAGE REDUCTION

In 1941 the government also inaugurated a wheat acreage reduction program, the terms of which provided that farmers would be paid \$4 for each acre taken out of wheat and utilized in summer fallow and \$2 for coarse grain production. The latter program resulted in a reduction in 1941 of more than 6,000,000 acres in the area sown to wheat and an increase of about 3,500,000 acres sown to coarse grains. The switch in emphasis from wheat to feed grain has done much in the way of encouraging livestock production at a time when it was most urgently needed.

Bonuses paid under the wheat acreage reduction program up to end of January, 1944, amounted to \$84,558,162, Agriculture Minister Gardiner disclosed in a return tabled in the House of Commons on May 1.

Mr. Gardiner presented a table showing the number of bonuses paid in each year since the inception of the plan in 1941:

	<u>1941</u>	<u>1942</u>	<u>1943</u>
Under \$100	71,960	108,743	84,569
\$100 to \$500	99,178	67,420	84,354
\$500 to \$1,000	9,040	2,540	5,002
\$1,000 to \$2,000	1,599	327	599
\$2,000 to \$5,000	100	3	8
\$5,000 to \$10,000	5	-	2
\$10,000 to \$50,000	3	-	-

On February 18, 1944, Mr. Gardiner indicated in the House of Commons that it was not the intention of the government to continue payment under the wheat acreage reduction policy.

Substantial quantities of oats and barley are now moving to the United States. Figures compiled to March 31, 1944, show that more than 28,000,000 bushels of oats and almost 17,000,000 bushels of barley were shipped from Canada to the United States between August 1, 1943, and March 31, 1944. The 1942-43 crop year total amounted to 58,000,000 bushels in the case of oats and 35,000,000 bushels in the case of barley.

The price of these grains in the United States had been soaring, but the



government took steps to stabilize them pending the establishment of ceiling prices. There is still a substantial spread, however, between the ceiling price in Canada and the price at which oats and barley are at present stabilized in the United States. Most of this difference in price is collected by the Canadian Wheat Board in the form of an equalization fee charged to exporters. This money is returned to the Canadian producer who since August 1, 1943, has been receiving an advance of 10 cents a bushel on oats and 15 cents a bushel on barley against the anticipated receipts from exports of these two grains.

Present estimates of the high-protein feed supply position in 1944 indicate that while the over-all position may show a slight increase over 1943, supplies will probably continue well below requirements. More linseed oilcake and meal is anticipated, as well as copra meal, sunflower meal, tankage, and meat scrap. Output of alfalfa meal is expected to remain relatively constant, but smaller supplies are in prospect for soybean meal, cottonseed meal, gluten feed, fishmeal and dairy by-product feeds.

#### OILSEED CROPS

Canadian requirements for oilseeds are expected to remain at comparatively high levels in 1944, and production objectives are as large as or larger than in 1943 for flaxseed, soybeans, rapeseed and sunflower seed. The Dominion oils and fats administrator has pointed out the desirability of this program, not only for providing needed sources of vegetable oils, but also for high-protein feeds, which are proving in short supply.

#### FLAXSEED

The 1944 objective for flaxseed stands at 2,950,000 acres, or about the same level as was seeded in 1943.

Up to January 27, 1944, nearly 78% of the 1943 western Canada flaxseed crop had been delivered off farms (flaxseed has no quota restrictions). Crushing capacity for oilseeds has been considerably expanded since 1941, and further increases are expected in 1944. A recent survey indicated a capacity of 6,500,000 bushels will be available shortly, mostly in eastern Canada.

Of the 1942-43 crop of western flaxseed totalling 9,400,000 bushels, about 4,200,000 bushels went into the domestic crushing trade, with the remainder of 5,200,000 bushels exported. The bulk of the linseed oil crushed is used in the manufacture of paint, linoleum and printers' ink, with a limited quantity used for edible oils.

Canadian flaxseed stocks at March 31, 1944, excluding quantities still on farms, totalled 7,600,000 bushels, of which 4,500,000 bushels were in lake-head elevators.

The best estimate which can be provided, under present circumstances, indicates that 1944 plantings of this crop would probably be less than 2,000,000 acres, or 64% of that sown last year, despite the fact that Canadian crushing facilities are being expanded, and the remainder of the crop will find a ready outlet in the United States.

#### SOYBEANS

The versatile soybean has so far been grown with success in several parts of Canada, particularly so in southwestern Ontario. A relatively small proportion of the crop was used for crushing. The objective for soybeans this year is set at 90,000 acres compared with 50,400 acres sown to this crop in 1943.



Because of the poor grain crop in Ontario in 1943, farmers have not been overly anxious to deliver soybeans to crushers, but large quantities are apparently being fed on farms. Of the total area of 50,400 acres seeded to soybeans in Canada in 1943, about 47,000 acres were in Ontario. In the latter area, a recent survey indicates that only about 68% was actually harvested for beans, and of this output about 35% is being fed to livestock. Only about 90,000 bushels had been inspected by the Board of Grain Commissioners up to February 7, 1944, with about 12,000 bushels additional estimated to be marketed but not inspected in eastern Canada. Only one car of the Manitoba crop had been inspected at the same date.

Not only has a relatively small part of the soybean been reaching commercial channels, but the largest share of deliveries appears to be going into the manufacture of human food such as soya flour and salted soya beans sold as a substitute for peanuts. A new soya products plant is now under construction in Toronto. To keep domestic crushers operating it has been necessary to import comparatively large quantities of soybeans from the United States. This is one reason for raising the 1944 objective.

Some of the many products obtainable from soybeans include glycerine, soaps, soya sauce, confections, linoleum, salad and cooking oils, breadstuffs, adhesives, paper coating and plastics.

Two other oilseed crops rapeseed and sunflowers, were apparently grown with good success during last season, and little difficulty is foreseen in making arrangements for the growing of 10,000 acres of rapeseed and 50,000 acres of sunflower seed in 1944, which will meet the requirements for these oils as estimated by the oils and fats administrator. Although many areas in the Dominion are adapted to these crops, most of the 1943 output was obtained in Manitoba and Saskatchewan in relatively concentrated areas, and this arrangement will probably continue in 1944.

#### OTHER FIELD CROPS

Corn for Husking. Grain corn is not only a valuable feed, but in addition it has many industrial uses. Most of the crop has been seeded in southern Ontario, but Manitoba also has been growing husking corn with success. The widespread use of hybrid strains of corn has considerably extended the area within which there is a reasonable expectation of a satisfactory yield. Husking corn acreage was considerably reduced in 1943 because of an unfavorable season, and the crop was generally below average. However, it is believed that plenty of seed of both open-pollinated and hybrid varieties is available in Canada for 1944, and the estimates provided at the conference envisage a crop of nearly 400,000 acres for 1944, or an increase of about 53% over 1943 acreage.

Sugar Beets. - Sugar beets are grown in concentrated areas around the existing factories in Alberta, Manitoba and southern Ontario. Next year it is indicated that a new processing plant will commence operations in the province of Quebec. Last year the Alberta and Manitoba plants contracted acreage sufficient to ensure operating at close to capacity, but for the last two seasons only one of the two Ontario plants has been able to operate. Although a relatively profitable crop, sugar beets require considerable hand labour, and this has proved a problem recently. For 1944, it is expected that 1943 acreage will at least be maintained in the three provinces already producing, while Quebec growers will probably contract for about 10,000 acres to supply the new factory.

Pulse Crops. - Greater emphasis on the production of dried beans and peas is suggested for 1944. Many areas in Canada are suitable for growing these high-protein crops, which are valuable foods for wartime requirements and also for post-war relief. In their dried form these commodities are well suited for long time storage, are easy to transport and have high protein value. Thus they are well fitted for international relief use.



In 1944 objective for field beans has been set at 150,000 acres, an increase of 76% over the 1943 crop of 85,000 acres. The guaranteed price for beans purchased for export from the 1943 crop was \$2.50 a bushel, which was about 15 cents a bushel higher than the domestic ceiling.

For field peas the 1944 objective calls for 200,000 acres, which would be 96,000 acres or 98% higher than in 1943. Virtually all of the production of dried peas is used domestically, but any surplus quantities available would probably find a ready export market.

Fibre Flax.- The production of fibre flax has been considerably stepped up in Canada during wartime in response to requests from the United Kingdom. The 1943 crop was only 35,000 acres, somewhat short of the processing capacity, which can handle the production from about 48,000 acres. The objective for 1944 calls for plantings up to present scutching capacity, or about 13,000 acres more than last year. This would be a return to the area grown in 1942.

Tobacco.- In view of a high rate of consumption and rapidly depleting stocks of tobacco, increased planting of the various types of this crop grown in Canada is suggested for 1944. For flue-cured tobacco, of which 60,000 acres was grown in 1943, mainly in Ontario, at least 70,000 acres is considered feasible in 1944. For burley tobacco, exclusively an Ontario crop, 10,000 acres is suggested, which is also a sizeable increase.

Increased plantings of cigar leaf, dark and pipe tobaccos in Ontario and Quebec are considered desirable for 1944. The labour and fertilizer situation are the chief question marks in attaining these goals.

#### FORAGE CROPS

With livestock population expected to continue at relatively high levels in 1944, the objectives for hay, clover and alfalfa call for an acreage at least as great as in 1943. This means about 1,500,000 acres of alfalfa and nearly 10,000,000 acres of hay and clover.

To meet future requirements for new seeding of hay and pasture crops, objectives for 1944 production of various forage crop seeds were suggested. The amount of clover and grass seeds harvested in any season is largely dependent on nature, and although in virtually every case the desire is to exceed 1943 output, it is believed that acreage will be ample provided a good set of seed occurs.

The objective for alfalfa seed at 15,000,000 pounds is well above the estimated 1943 crop, but sufficient acreage exists in Saskatchewan or Alberta alone to meet all requirements if favorable conditions obtain. For alsike clover a goal of 7,000,000 pounds in place of the 1943 crop of slightly more than 4,000,000 pounds is suggested. Ontario is the chief alsike clover seed producing province. With respect to red clover seed, the bulk of which is produced in Ontario and Quebec, the goal is 8,000,000 pounds or a 42% increase over 1943. A sweet clover seed objective for 1944 of 7,500,000 pounds is suggested, compared with 6,750,000 pounds in 1943. The bulk of this seed is produced in the Prairie Provinces, particularly Manitoba.

Timothy seed is the only hay crop for which a slightly smaller production is requested next year. A small increase for brome grass seed and crested wheat grass seed, exclusively prairie crops, is suggested. Individual objectives were not set for various other grass seeds such as blue grass, creeping red fescue, rye grass and bent grass, but in most cases a production at least as large as in 1943 is considered desirable.

A keen demand for forage crop seed exists in the United States, but with little surplus over and above Canadian domestic requirements, the seed export office at Lindsay, Ontario, has been granting exports permits only in limited



degree for kinds of seed for which a small surplus is known to be available. It is expected that eastern Canada will provide a market for a large part of the western Canada forage seed crop this year.

### SEEDS

Planting crops is the first step in restoring the agricultural economy of a war-ravaged country. The United Nations have laid out a plan to supply seeds to countries prevented by war from producing crops and consequently seeds. Canada is an important participator in this plan.

Even the great food producing capacities of the Western Hemisphere could not support war-impooverished European states for any length of time, and even if the Americas could produce the food, it is doubtful if ships could be found to carry it to Europe. Dehydration has been one answer to the problem of shipping space. One ship can carry 10 shiploads of dehydrated cabbage; but one airplane can carry enough cabbage seed to raise 100 shiploads of cabbage.

The export market for forage crop seeds is good, and the Canadian Department of Agriculture has urged farmers to deliver their seeds to seed dealers regularly. The Canadian export seed office is purchasing alsike, red clover, alfalfa and alsike-white clover mixtures--forage crops--at prices slightly below wholesale ceilings established for such seeds. All farmers selling these seeds to dealers receive "participation certificates." Whether the seeds are then sold on the domestic or export market, the farmers receiving certificates participate in the profits from export sales. Prices received for seed exported will be materially higher than Canadian wholesale prices. In relation to wholesale prices as established, the initial price to farmers for alsike seed should average about \$10 a bushel.

Several kinds of vegetable seeds were not available in adequate supply last season. To remedy this situation the Agricultural Supplies Board arranged a production program in the spring of 1943 with the result that ample supplies of seed for virtually all varieties of beans, peas, beets, carrots, cauliflower, cucumbers, lettuce, onions, parsnips, radishes, spinach, tomatoes, swedes and mangels are expected to be available for planting this spring. It has also been possible to develop hardy, disease-free varieties which do well under Canadian climatic conditions. As well as providing for domestic requirements, shipments of vegetable seeds to the United Kingdom totalling 7,000,000 pounds were undertaken during 1943, and deliveries are in progress. Plans are being made further to expand vegetable seed production in 1944, with British Columbia an important role in this growing industry. Approximately 65% of Canadian production of vegetable and field root seeds was grown in British Columbia last season.

### FERTILIZER

Potash available for fertilizer manufacture for the 1944 season will not exceed 35,000 tons, which is 80% of the quantity used last year. As a result potash is being rationed to manufacturers, who in turn are allocating potash fertilizers to their dealers and agents on the basis of 73% of potash sold in 1943. The rationing of potash will not affect the total tonnage of fertilizers, as the potash content in mixtures is being reduced by about 2%. Mixed fertilizers not containing potash will not be affected and are expected to be available in ample quantities, even if the supply of potash is exhausted before the end of the season.

### LIVESTOCK

Canada has shown a steady increase in livestock production during the five years of war.

The number of hogs on Canadian farms reached a new high record at June 1, 1943, when there was almost double the number for 1939. The June 1 estimate of 8,148,000 head was more than 1,000,000 head higher than at the same date a year before.



Further substantial increases in hog production were indicated by farmers' reports of numbers of sows expected to farrow during the fall months of 1943. An increase of almost 38% was revealed for Canada as a whole.

Canadian farmers in 1943 marketed through inspected packing plants 11 hogs for every five they sold before the war. Hog marketings in 1943 totalled 7,147,546 or 120% greater than those of 1938.

Most of this increased production has taken place in the western provinces where hog marketings in 1943 were more than  $3\frac{1}{2}$  times those of 1938.

Slaughtering of livestock during the first four weeks of 1944 were substantially greater than during the same period in 1943:

	Slaughtering First Four Weeks of 1944	Slaughtering First Four Weeks of 1943	Increase
Hogs	901,767	501,332	80%
Cattle	86,991	52,279	66%
Sheep and lambs	65,169	44,318	47%
Calves	24,795	19,066	30%

The transportation situation is complicating the shipment of this increased meat production overseas. Agriculture Minister Gardiner told the House of Commons on February 9, 1944, that all available meat storage facilities in Canada are now being used for storage and all production over and above what can be stored is placed in cure for current shipment. Storage stocks at January 1, 1944, as compared with January 1, 1943, were:

	January 1, 1944 (pounds)	January 1, 1943 (pounds)
Frozen beef (bone in)	14,615	15,498
Frozen beef (boneless)	10,108	4,498
Veal	5,475	2,308
Mutton and Lamb	9,419	5,038
Fresh frozen pork (including approximately 18,000 pounds of bacon, stored for later shipment)	36,029	22,142

Mr. Gardiner pointed out that despite what might be considered a surplus of meat, the United Kingdom desires all the meat that Canada can provide. What happens to be a surplus at the moment is due to lack of shipping facilities.

During wartime the government encounters many problems which complicate the storage and shipment of commodities. Recently three ships which were intended to be used for the shipment of meat damaged to such an extent that it was impossible for them to take meat out until repairs were made. This, of course, resulted in a bottleneck in storage facilities which passed all the way back along the line to the Meat Board's buying of livestock.

Steps have been taken to divert additional ships to Canadian ports, not only to handle additional bacon stocks but also to lift surplus stocks of beef and mutton.

In the first quarter of 1944, output of livestock and livestock products reached exceedingly high levels. Combined slaughtering of all meat animals were the highest ever recorded, due principally to an increase of 75 per cent or 1,200,000 head over 1943 in the case of hogs. However, slaughtering of beef cattle also were up 39 per cent, sheep and lambs 40 per cent, and veal calves 6 per cent.



Prices for hogs and finished cattle have not been depressed, and all good butcher cattle have remained well above floor prices. The Meat Board has recently been able to increase its acceptance of beef which has resulted in an upward swing in cow prices.

As a result of the overall meat position there has been a decline in sheep and lamb prices. There is no floor price for mutton, but there is for lamb as a result of the Meat Board operations in buying freshly slaughtered lamb for export.

BACON

At the outbreak of the war it was quickly recognized that Canada's chief contribution to the meat supply of the United Kingdom would be in the form of pork products, chiefly cured Wiltshire sides. For several years Canada had carried out a program to develop hog production on a sound basis. This, coupled with the fact that hog production is flexible and adapted to relatively rapid adjustment of volume of output, enabled overseas shipments to be increased sharply almost as soon as the United Kingdom entered the war.

For 1935 to 1939 total imports of bacon and hams into the United Kingdom from all sources amounted to about 850,000,000 pounds annually, of which about 25% was supplied by Commonwealth countries, principally Canada. Of the remaining 75%, Denmark furnished nearly two-thirds, while the balance was obtained from the United States, the Netherlands, Poland, Sweden and smaller amounts from several other European countries. During this period British agricultural policies had been designed to increase the pig population at home, and a considerable amount of expanding requirements was being met from domestic production. Within a few months of the outbreak of the war, however, continental sources of food supply had been cut off from the United Kingdom. At the same time shortage of feedstuffs for livestock in the United Kingdom forced a curtailment in the numbers of pigs and poultry being raised in order to make feedstuffs available to maintain dairy production at an essential level.

Also, as the Canadian minister of agriculture pointed out in the House of Commons, under emergency conditions a man can live just as long on a pound of grain as on a pound of meat, and it takes eight pounds of grain as feed to produce one pound of beef, and five pounds of grain to produce one pound of pork. In other words, said Mr. Gardiner:

"You can keep a man eight times as long on grain as you can keep him on beef fed from the grain, and five times as long on grain as you can on pork fed from the grain, in an emergency."

A comparison of the five bacon agreements made by Canada with the British Ministry of Food follows:

	First agreement 1939-40	Second agreement 1940-41	Third agreement 1941-42	Fourth agreement 1942-43	Fifth agreement 1944-45
Term of agreement beginning	Nov. 1, 1939	Nov. 1, 1940	Oct. 12, 1941	Nov. 21, 1942	Jan. 1, 1944 to Dec. 31, 1944 and Jan. 1, 1945 to
End	Oct. 31, 1940	Oct. 11, 1941	Nov. 20, 1942	Dec. 31, 1943	Dec. 31, 1945
Quantity contracted for Total-million lbs.	291.0	425.6	600.0	675.0	450.0 for each of the two years
Weekly - million lbs.	5.6	8.2	11.5	13.0	6.7



	First agreement 1939-40	Second agreement 1940-41	Third agreement 1941-42	Fourth agreement 1942-43	Fifth agreement 1944-45
Actual quantity of bacon shipped - million lbs.	331.0	425.8	600.0	695	
Hogs required for export Total number- thousand head	2,500	3,700	5,200	5,625	6,750
Average weekly- Thousand head (preliminary)	48	71	100	108	72

Purchases under the 1942-43 contract for 675,000,000 pounds of bacon were completed Christmas week of 1943. By the beginning of 1944 approximately 28,000,000 additional pounds had been obtained to apply on the new contract. Exceptionally rapid progress during the final weeks of the last agreement were made possible when hog marketings reached unprecedented levels, indicating that farmers had succeeded in producing an all-time record pig crop in the spring of 1943.

The new bacon contract with the British Ministry of Food is for 450,000,000 pounds of bacon each year for two years. It is likely, however, that 500,000,000 pounds will be delivered in 1944. Negotiations are now proceeding to extend this contract to four years.

It is now clear that the United Kingdom will continue to want large quantities of Canadian bacon for a considerable time to come. The reduction in the contract for 1944-45 represents merely a reduction in Canada's minimum commitments, and if more bacon is available, it will be welcome. Although the price advance was smaller than producers generally had hoped for, and the price advantage held by hogs earlier in the war has become progressively narrower with increased returns for other farm products, it can still be demonstrated that hog production is profitable. As pointed out at the Dominion provincial conference by Hon. J.G. Taggart, minister of agriculture for Saskatchewan and chairman of the Meat Board, it can hardly be argued that the position of the hog producer has been worsened due to the fact that he is now able to sell part of his grain at improved prices. In eastern Canada an abnormal situation exists for the present because of the poor crop in 1943, but increased plantings of coarse grains are in prospect for 1944, and, with a normal crop season, hog production should make substantial recovery.

The objective which has been laid down for hog production in 1944, therefore, is to maintain output at as nearly as possible the level of 1943, which was the largest in history. Inspected slaughterings are showing every evidence of exceeding 7,000,000 head.

It is expected that hog production during the first six months of 1944 will exceed that of the same period of 1943, but by the latter half of the year the effect of the feed shortage in Eastern Canada, and other factors, will probably lead to some recession. Although the first reaction of producers and farm organizations has been to criticize the amount of the price increase granted under the new contract, a more considered appraisal of the longer term guarantees and the knowledge that Britain is still anxious for Canadian bacon will probably in the long run promote a more favourable producer psychology.



## BACON IN TWO WARS

A comparison of Canada's bacon export trade with the United Kingdom during World War I and the present war shows several developments. In the years 1914 to 1918, inclusive, Canada shipped to the United Kingdom a total of some 720,000,000 pounds of bacon and hams, which reached a peak of 217,000,000 pounds in 1917. However, during 1917 alone, 130,000,000 pounds of pork were imported into Canada from the United States, part of which was cured and re-exported, with the remainder consumed domestically. Thus during the 1914-18 period bacon exports exceeded imports of pork by only 43,000,000 pounds, a great deal less than the 600,000,000 shipped during the third year of this war or the contract for 675,000,000 pounds undertaken in the fourth year of the war. Except for a brief period early in 1940, wartime imports of pork from the United States have been insignificant.

In World War I there was no specific agency established to superintend the delivery of export bacon overseas. Moreover, although considerable pioneer work had already laid the foundations for future progress, Canadian swine producers in general had not begun to concentrate efforts towards the development of a true bacon-type hog. As a result, the quality of the product supplied to the United Kingdom during that period was not conducive to the building up of Canadian bacon trade after the war. In the years from 1919 to 1925 exports ranged around 100,000,000 pounds annually, after which quantities going forward declined progressively until 1931, when the total has shrunk to only 11,000,000 pounds. In the meantime, however, swine grading had been established and other policies instituted which were designed to improve the hog and bacon industry.

After the Imperial Economic Conference in Ottawa in 1932, Canada received the benefit of what then appeared to be a substantial quota in the British market. As a result of this stimulus bacon shipments from 1932 onwards showed some increase, although not at any time did they reach the maximum of 280,000,000 pounds permitted under the Empire trade agreements. The drought which affected large grain-growing areas of western Canada no doubt was a limiting factor. However, the greater stability of hog markets after 1935, culminating in 1938 in the highest prices since the beginning of the depression, led to a sharp upswing in production manifest in a record 1939 spring pig crop. When Canada declared war in September, 1939, this crop was nearly ready for market, and during the fall of 1939 new marketing records were established.

## CATTLE

With greater numbers of cattle on Canadian farms and ranches, the 1944 objective calls for an increase in marketings of cattle. A 6% increase in cattle and a 3% increase in veal calves in relation to 1943 output figures is expected. It has also been recommended that cattle continue to be marketed at the comparatively heavy average weights maintained in recent months. Although the feed situation is somewhat less favorable than a year ago, the trend is now toward the marketing of older, and consequently heavier, cattle.

Storage stocks of beef at December, 1943, were comparatively high, particularly with respect to boneless beef. The total beef reported in cold storage was 30,300,000 pounds, compared with 28,000,000 pounds at the same date the year before and an average of 26,800,000 pounds for the four years 1938 to 1941. Holdings of boneless beef at more than 8,000,000 pounds were the greatest on recent record at this date.

A further sharp increase in the number of cattle on farms was reported at December 1, 1942. The 1942 figure of 8,833,700 head represented an increase of 7.1% over the numbers on hand at the same date on 1941. The major part of the increase was in young stock and beef cattle rather than milk cows. Much of the increase was due to the tendency on the part of farmers to hold back young cattle for further feeding and restocking.

## SHEEP

At December 1, 1942, the number of sheep on farms totalled 2,482,700, an increase of 10.1% over the corresponding date in 1941. A large proportion was breeding stock, and it was expected that further increases would result in 1943.



Eight hundred and forty thousand head of sheep and lambs for slaughter were produced in 1943; the objective for 1944 is 829,000 head.

Objectives for the marketing of sheep and lambs off Canadian farms and ranches in 1944 as determined at the December conference call for a 5% increase as compared with 1943. In response to the wartime program calling for more wool, mutton and lamb, sheep numbers have considerably increased, and therefore increased marketings in 1944 are considered probable and desirable. It has also been suggested that producers might well consider feeding lambs to an average of up to five pounds greater weight before marketing. The 1944 objective for production of shorn wool calls for 14,000,000 pounds (greasy basis) which is a small increase over the 1943 output of 13,900,000 pounds. With military requirements for wool tapering off, and an improved shipping position in the Pacific, less concern is now felt with respect to reserve stocks of wool.

Cold storage stocks of lamb and mutton at December 1, 1943, totalled more than 8,000,000 pounds. This was 3,500,000 pounds greater than the previous month, and 2,500,000 pounds greater than the same month the year before.

DAIRY PRODUCTS

Production of dairy products for 1943 and objectives for 1944:

	Unit	Production 1943	Objective 1944	Per cent of 1943
Milk (total)	lb.	17,517,000,000	17.5 million	100
Butter (creamery)	"	312,309,928	303,874,000	97
Cheese (factory)	"	158,672,000	151,916,000	94
Evaporated whole milk	"	178,000,000	178,000,000	100
Condensed whole milk	"	26,900,000	24,000,000	100
Powdered whole milk	"	16,600,000	16,800,000	100
Powdered skim milk	"	23,200,000	24,000,000	100

Production of milk in Canada in 1943 totalled 17,517,000,000 pounds, according to estimates of the agricultural branch, Dominion Bureau of Statistics. This is a slight increase over the 17,488,000,000 pounds produced in 1942.

Canada in 1943 was the only allied nation, with the possible exception of the United Kingdom where milk production was maintained at 1942 levels.

Dairy production to date in 1944 indicates a swing away from creamery butter production, while sales of fluid milk are still increasing. Cheese production in January was 33.5% higher than a year before, but was still well below January production in 1942.

Dr. G.S.H. Barton, deputy minister of agriculture, speaking at the annual meeting of the Ontario Association of Agricultural Societies in Toronto recently, mentioned the present position of dairy products in Canada and stated:

"If we are to meet greater demands for the urgent needs of the armed forces and suffering people, Canada's civilian population will have to face greater denials than they have yet experienced."



CHEESE

Canadians are not heavy consumers of cheese, and the chief reason for the increase in cheese production during the war years has been for purposes of export. Canadian cheese has supplemented the diet of the population of the United Kingdom since mid, 1940.

The suggested production goal for cheddar cheese for 1944 has been set at 167,800,000 pounds, which would provide 45,000,000 pounds for domestic consumption and 122,500,000 pounds for export during the calendar year. However, provincial production estimated for 1944 set probable total production at 148,400,000 pounds, which would allow only slightly more than 100,000,000 pounds for export.

During the last quarter of 1943, milk production fell more sharply than during the corresponding period of 1942, with a resulting decline in cheese production. Output of cheddar cheese in 1943 was 162,300,000 pounds, compared with 206,200,000 pounds in 1942; the 1943 production was, however, 35.4% higher than the five-year average 1936-40.

Total cheese production in recent years has been as follows:

Year	Approximate Total Production
1943	164,827,651 lbs.
1942	208,218,645 "
1941	152,663,988 "
1940	146,153,376 "
1939	126,331,734 "
1934	100,382,827 "
1933	112,126,368 "

A comparison of Five Cheese Contracts with the United Kingdom

	First Agreement	Second Agreement	Third Agreement	Fourth Agreement
Term of agreement				
Beginning	May 28, 1940	April 1, 1941	April 1, 1942	April 1, 1943
End	Nov. 30, 1940	March 31, 1942	March 31, 1943	March 31, 1944
Quantity contracted for Total -million lbs.	78.4	112	125	150
Quantity shipped Total-million lbs.	93.1	115.4	142.1	115
Pounds of milk required to manufacture cheese according to contract	901,600,000	1,288,000,000	1,437,500,000	1,725,000,000

BUTTER

There is a close association between the production of cheese and of butter and the prices which prevail for these two products. Butter is made from exactly the same kind of milk as cheese. When the price paid for cheese is 20 cents a pound



and premiums and subsidies bring the price up to 24 cents a pound, a price lower than 40 cents a pound for butter will not bring about an increase in its production in this country.

The United Kingdom requires cheese and has asked this country to stress its production rather than butter. Therefore, if the government subsidizes cheese (as it has done) a shortage of butter results in Canada and it has to be rationed, despite the fact that there has been an over-all increase in butter production in Canada during the war years. Estimates of creamery butter production for 1943 show that 312,300,000 pounds were produced compared with 284,600,000 pounds in 1942, an increase of 9.7%. Production of dairy butter was estimated at 55,400,000 pounds for 1943, a decrease of 22,000,000 pounds from 1942 estimates. However, increased consumer purchasing power and the demands of the armed forces are much larger than the increase in production, and in the final analysis a shortage of butter exists.

Total butter production in recent years has been as follows:

1943.....	367,716,928
1942.....	363,116,372
1941.....	368,644,196
1940.....	348,979,807
1939.....	355,071,546
1934.....	333,777,961
1933.....	318,379,546

A contract to ship butter to the United Kingdom was entered into during September, 1943. It called for 7,000,000 pounds of butter to be shipped by October 31, 1943 -- an equivalent of 163,800,000 pounds in the form of milk. The 7,000,000 pounds of butter was the minimum which the British wanted. Actual shipments on the contract amounted to 7,088,506 pounds. A pound of butter is equivalent to 2.25 pounds of cheese, and lower production of cheese is due to the increased butter production. The United Kingdom has indicated that it will take more butter if available.

MILK-WHOLE  
AND  
CONCENTRATED

Fluid sales in Canada increased 9.4% in 1943 over 1942, while milk consumed on farms increased 2.3%. Milk used for concentrating purposes in 1943 totalled 588,000,000 pounds as compared with 554,000,000 in 1942. Milk used in production of ice cream showed a similar upward trend. (No restrictions have been placed on the use of ice cream by the armed forces, in canteens operating in military confines or in military confines or in military or civilian hospitals).

Canada has entered into certain contracts with the British Ministry of Food to supply evaporated milk.

A Comparison of the Five Evaporated Milk Contracts

	<u>First Agreement</u>	<u>Second Agreement</u>	<u>Third Agreement</u>
Term of agreement - Beginning	July 1, 1940	April 1, 1941	April 1, 1942
End	March 31, 1941	March 31, 1942	March 31, 1943
Quantity contracted for -- Total cases (48 one-lb tins to a case)	1,150,000	658,000	668,000
Total quantity shipped -- cases	751,362	643,659	668,403
Pounds of milk required to manufacture evap- orated milk according to contract	141,750,000	87,830,000	90,180,000



Term of agreement -	Fourth Agreement	Fifth Agreement
Beginning	April 1, 1943	April 1, 1944
End	March 31, 1944	March 31, 1945
Quantity contracted for -- Total Cases (48 one-lb-tins to a case)	300,000	300,000
Total Quantity shipped -- cases	300,828	
Pounds of milk required to manufacture evaporated milk according to contract	40,500,000	40,500,000

EGGS

Before the war egg shipments to the United Kingdom totalled little more than 1,000,000 dozen annually. From September, 1939, to May, 1940, eggs were exported by private Canadian exporters to private British importers. In May, 1940, the British Ministry of Food became the sole importer, and on April 15, 1941, control of all Canadian exports was assumed by the Special Products Board operating under the Dominion Department of Agriculture. Early in 1942 all exports of eggs to the United Kingdom were changed from shell eggs to dried egg powder. In this form substantial saving in shipping space can be made, and eggs will keep for much longer periods. In the spring of 1941 contracts were entered into which called for the shipment of 13,800,000 dozen, half as fresh eggs and the remainder to be stored for shipment in the autumn. Subsequent contracts were entered into for an additional 23,100,000 dozen for shipment from December 1, 1941, to May 1, 1942. All shipments since February, 1942, have been made in dried form, for which the installation and operation of the necessary processing machinery was required.

A new egg contract has been negotiated with the British Ministry of Food, calling for 7,500 long tons of dried egg powder a year - equivalent to 48,000,000 dozen shell eggs for two years.

Domestic consumption of eggs has increased during the war, to some extent due to the short supplies of beef and pork products, the adoption of meatless Tuesdays in public eating places (now temporarily suspended) and the increased purchasing power of consumers.

The 1944 production objective for eggs has been established at 367,500,000 dozen, or an increase of 10% over 1943. Production will be increased or maintained in all provinces in 1944.

One of the remarkable developments, along with increased production, has been the expansion in egg inspection. In 1943, 1,858,174 cases were inspected as compared with only 387,818 cases in 1939.

FRESH FRUITS AND VEGETABLES

The North American deciduous fruit crop in 1943 was the smallest for many years.

Grapes and citrus fruits were the only crops of which the supply was anything like normal.

The ceiling price on fresh fruit cut off some supplies that would otherwise have come to Canada from the United States but which, because of much higher prices, it has become impossible to import and sell under the Canadian ceiling.



Canadians in the past have used to having supplies of fresh vegetables the year around. With the high prices prevailing and increased demand in the United States for their own products it would be impossible to make these commodities available at reasonable prices without tremendous expense that would be difficult to justify. Assistance has been given by removing duties and controlling markets and handling in Canada.

Fruit and vegetable contracts recently entered into by Canada with the British Ministry of Food:

Fruit and Vegetable Contracts July, 1943, to April, 1944.

Commodities	Contract (short tons)
Potatoes	3,920
Cabbage	785
Carrots	560
Turnips	336
Green beans	16
Beets	11

200,000 bushels British Columbia apples.  
450,000 bushels Nova Scotia apples.

The United Kingdom is prepared to take more dehydrated fruits and vegetables, but it is likely that Canada can meet the existing contract because of supply, labour and space shortages.

Agricultural objectives for production of fruits in 1944 have been in large measure predictions, as production can be but slightly influenced by planning in a one-year period.

POTATOES

Five per cent more potato acreage is asked for in 1944, the designated total being 558,980 acres. Ontario, Manitoba and British Columbia have undertaken increases of 10% each. Quebec and Alberta will aim for 5% increases. The Maritime Provinces, in all of which 1943 plantings were greater than longtime averages, will maintain their level of production, as will Saskatchewan.

Factors considered in compiling the national objective were: The scarcity of supply on many central markets in the spring of 1943, even though the 1942 crop had exceeded those of immediately preceding years; the expectation that disease may affect the shrinkage of the 1943 crop in storage; dehydration undertakings for the 1943 crop which were greater than ever before and likely to be maintained subsequently; and the active export demand for any certified seed which it is seen fit to permit to be exported.

VEGETABLES

Acreage and production information for vegetables is unreliable, and publication of such on a national scale has not yet been extensively undertaken. It was necessary to consider these crops in terms of tonnage rather than acreage and to group them generally into: (1) leafy green and yellow and (2) root vegetables. In both classes acreage and yield per acre declined in 1943. The need for adequate supplies of these for fresh consumption, canning and dehydration was recognized in increased objectives for supply next year. For leafy green vegetables, which include cabbage (now being dehydrated in large quantities) and some of the leading canning crops, an objective of 139% of 1943 production has been set. For the root vegetables 113% of the 1943 crop is desired.

For tomatoes it is recognized that increased production for processing is required, as the 1943 pack was about 20% less than that of 1942. The packs of corn, peas and green and wax beans declined even more -- 22% for beans, 34% for corn and 50% for peas.



Subsidies to producers of these commodities have been renewed in 1944 for the third year; this is the second year during which the subsidies were paid under the jurisdiction of the Agriculture Department. Tomatoes cultivated for canning and processing will be subsidized at \$6 a ton instead of \$3 as in 1943. Rates of subsidies on the other crops in 1943 are to be continued as follows:

Corn - \$4 a ton  
Peas - \$10 a ton shell weight or  
\$2 a ton straw weight  
Green or wax beans - \$7.50 a ton

In addition to the subsidies, canners have to pay at least their 1941 price. Prices in Ontario in 1941 were as follows:

Tomatoes - \$14.10 a ton  
Corn - \$11 a ton  
Peas - \$45 a ton shell weight

Thus the percentage increase to growers over 1941 prices which the subsidies represent is respectively 21% for tomatoes, 22% for corn and 36% for peas.

#### MAPLE PRODUCTS

The objective for the production of maple syrup and other maple products for the 1944 season calls for an increase of nearly one-third over last year's output. It is expected that this quantity (about 3,000,000 gallons on a syrup basis) will find a ready market, particularly in view of the recent announcement by the ration administration of the Prices Board. Until May 31, 1944, the value of "D" coupons for purchasing maple syrup has been increased so that a gallon of syrup may be obtained on surrender of four coupons. Arrangements have been made for coupon vouchers in mail order delivery of syrup. Thus the sale of syrup directly from producer to consumer is facilitated.

#### HONEY

The 1943 honey crop at 32,500,000 pounds was the second largest on record, but a further increase to 36,597,000 pounds is considered as a feasible objective for the coming season. This quantity would presumably find a ready market under present rationing controls on sweet foods.



Canadian Agricultural objectives for 1944

	Unit	Production 1943	Objective 1944	Per cent of 1943
<b>Grain and Forage Crops-</b>				
Wheat.....	ac.	17,488,000	17,500,000	100
Oats.....	"	15,407,000	16,377,296	106
Barley.....	"	8,397,000	8,500,000	101
Mixed Grain.....	"	1,463,000	1,760,000	120
Rye.....	"	576,000	500,000	87
Corn (husking).....	"	257,000	393,000	153
Hay and clover.....	"	9,815,600	9,816,000	100
Alfalfa.....	"	1,544,000	1,544,000	100
<b>Meat Animals-</b>				
Hogs (commercial marketing).	no	7,149,000	7,000,000	98
Cattle (commercial marketing)	"	1,093,000	1,160,000	106
Calves (commercial marketing)	"	643,000	661,000	103
Sheep and lambs (commercial marketing)	"	887,000	929,000	105
<b>Dairy Products-</b>				
Milk (total).....	Lb.	17.5 billion	17.5 billion	100
Butter (creamery).....	"	312,309,000	303,874,000	97
Cheese (factory).....	"	162,345,000	151,916,000	93
Evaporated whole milk.....	"	178,155,000	178,155,000	100
Condensed whole milk.....	"	26,862,000	26,862,000	100
Powdered whole milk.....	"	16,600,000	16,600,000	100
Powdered skim milk.....	"	23,206,000	23,206,000	100
<b>Eggs and Poultry-</b>				
Eggs (total).....	doz.	335,000,000	367,500,000	110
Eggs (for export).....	"	33,622,620	36,844,050	110
<b>Poultry meats:</b>				
Chicken and fowl.....	Lb.	224,881,000	250,000,000	111
Turkey.....	"	29,151,000	33,000,000	114
<b>Oilseed Crops-</b>				
Flaxseed.....	ac.	2,947,800	2,800,000	95
Soybeans.....	"	50,400	90,000	178
Rape seed.....	"	4,051	10,000	247
Sunflower seed.....	"	29,000	50,000	172
<b>Other Crops-</b>				
Field beans.....	ac.	85,200	150,000	176
Field peas.....	"	104,300	200,000	192
Sugar beets.....	"	52,500	63,400	121
Fibre flax.....	"	35,000	48,000	137
<b>Tobacco:</b>				
Flue cured.....	"	60,360	70,200	116
Burley.....	"	6,540	10,000	153
Cigar-leaf.....	"	3,200	4,000	125
Dark.....	"	1,300	1,500	115
Pipe.....	"	640	1,000	143
<b>Fruits and Vegetables-</b>				
Apples.....	bu.	12,850,000	15,000,000	117
Other tree fruits.....		(varying increases for 1944)		
Berries and grapes.....		(varying increases for 1944)		
Potatoes.....	ac.	532,700	558,980	105
Leafy green vegetables.....	tons	230,343	320,000	139
Root vegetables.....	"	318,165	360,000	113
<b>Forage Crop Seeds-</b>				
Alfalfa.....	lb.	4,486,000	15,000,000	334
Alsike.....	"	4,277,000	7,000,000	164
Red Clover.....	"	6,539,000	8,000,000	122



Forage Crop Seeds-(continued)

Sweet clover.....	lb.	6,765,000	7,500,000	111
Timothy.....	"	14,595,000	11,000,000	75
Brome Grass.....	"	10,439,000	10,000,000	96
Miscellaneous-				
Maple syrup.....	gal.	2,299,800	3,007,700	131
Honey.....	lb.	33,535,000	36,597,000	109
Wool.....	"	13,605,000	14,000,000	103
Vegetable seeds.....		(varying objectives for 1944)		



