

The oat crop showed a slight recession at 380,500,000 bu., but gains were recorded in flax and barley. The production of potatoes rose about 6,000,000 cwt. to 42,300,000. The gross value of field crops, estimated at \$651,200,000, was 5 p.c. less than the \$685,800,000 computed for 1939, but is higher than that recorded for any other year since 1930.

Agriculture is contributing to the war effort in various ways: Britain's requirements for bacon, cheese, evaporated milk and canned fruits and vegetables are being met; the British Ministry of Food has asked for 8,176,000 lb. of bacon weekly until Oct. 31, 1941, (hog marketings in 1940 were 5,500,000, an increase of nearly 49 p.c. over 1939); the Ministry also ordered 112,000,000 lb. of cheddar cheese in the twelve months following Apr. 1, 1941, and 1,000,000 cases of evaporated milk (48 one-pound tins to the case) to be delivered in 1941.

Cash income from the sale of farm products was \$714,700,000 in 1940, as compared with \$702,800,000 in 1939, and was the highest since the record of \$922,300,000, established in 1929. The increase over the preceding year, however, was balanced by slightly increased labour costs and somewhat higher prices for necessities.

Forestry.—The output of newsprint and fine paper increased considerably during 1940, and plants were operating on a basis nearer to capacity than for some years. Newsprint production during the first four months of 1941 was 1,063,000 tons, representing an increase of 5.9 p.c. over the 1,003,000 tons produced during the corresponding period of 1940. In April, 1941, however, the unused capacity of the newsprint mills in operation amounted to nearly 22 p.c. of their total effective capacity and, although all indications point to an excellent year for the pulp and paper industry in 1941, present prospects are that a good deal of this capacity will remain unutilized throughout the year.

Admittedly, the improved situation in the newsprint industry is due largely to the War, which has virtually eliminated the Scandinavian and German newsprint exports that formerly competed with Canadian tonnage; such competitive exports averaged 700,000 tons per year in the three years preceding the outbreak of war. For the first three months of 1941, United States imports of European newsprint were less than a tenth of the total for the corresponding period of the preceding year. This, in turn, had been approximately one-fourth of the amount imported during the first three months of 1939. Total newsprint consumption by United States publishers, on the other hand, showed a 3.7 p.c. increase in the first four months of 1941 over the corresponding period of 1940. Although the total increase in shipments of Canadian newsprint for the first four months of 1941 as compared with the similar period of 1940 was 7.9 p.c., the increase in shipments to the United States was undoubtedly much greater.

Exports of planks and boards for the first four months of 1941 recorded an 8.6 p.c. increase over the corresponding period of the preceding year.

The lumber industry affords an example of how Canadians can better utilize their abundant resources, and thus conserve foreign exchange for the purchase of war necessities. The forest industries tend to distribute Canadian population and Canadian economic activity more evenly and more widely than either agriculture or mining.

Mining.—The mining industry is contributing extensively to Canada's war effort, and is continuing its uninterrupted advance over the past fifteen years. During 1940, total mineral production reached an all-time record value of \$529,200,000. A further increase was noted during the first four months of 1941, the index rising 1.6 p.c. over the corresponding period of 1940.