

ment guaranteeing certain fixed prices for apples that would normally move into export, it is hoped that increased domestic consumption of both fresh and processed apples will be sufficient to dispose of surplus stocks, particularly in view of the smaller crop in 1940.

The canning industry also was affected by curtailed export. Heavy buying of tomato products previous to the United Kingdom's ban on imports of these goods reduced stocks to a minimum, and unfavourable crop conditions since then have prevented any undue surplus accumulating. Meanwhile the restriction on the import of canned tomatoes has been changed as referred to at p. 139. Stocks of other processed fruits and vegetables have been slightly above normal, but domestic demand can be stimulated to absorb the surplus.

No restriction was placed on the import of honey by the United Kingdom, and heavy buying cleared all available stocks. Adverse exchange conditions and higher duties on the importation of package bees have had the indirect effect of stimulating interest in better wintering methods.

### Tobacco and Furs

Tobacco and furs, both of which find market outlets in the United Kingdom in normal times, were seriously affected following the outbreak of war.

*Tobacco.*—Exports of tobacco to the British market in 1939 reached a figure of almost 40,000,000 lb. This fell off sharply in 1940 to slightly less than 10,000,000 lb.; for 1941 it is not expected that the United Kingdom will take any Canadian tobacco. A comparatively small export movement to Australia and New Zealand in 1941 represents the opening up of a new outlet. In view of the serious disruption of the British market, a sharp reduction, amounting to 26 p.c., in the acreage of this crop planted took place in 1940. The largest decrease in acreage occurred in the flue-cured tobacco district of Ontario and extensive frost damage in certain sections of this area resulted in still further reductions in output. A total Canadian crop of 60,300,000 lb. was recorded for 1940 compared with the 107,700,000 lb. produced in 1939. This reduction, coupled with the fact that the carryover of more than 30,000,000 lb. from 1939 has been removed from the market, may improve conditions for growers in the 1941 buying season despite the unsettled export situation.

*Furs.*—In the past, the bulk of Canadian ranches silver-fox and mink pelts were marketed in the United Kingdom but, as a result of the War, this market was transferred to the United States. Fearing a flooding of this market, the latter country established an import quota that allowed only 58,300 silver-fox fur units to be imported from Canada; this was later raised to 70,000 units in the Trade Agreement of 1940. Because of these factors, the situation at the close of 1939 was discouraging. However, subsequent heavy buying by United States dealers for foreign account, together with improved demand in Canada and a rigorous culling by ranchers resulted in a cleaning up of available stocks at enhanced prices by the end of 1940. Mink prices also declined sharply following the loss of the United Kingdom market, although there were no restrictions on export of mink pelts to the United States. The improved demand both there and in Canada has taken up much of the slack and the outlook for 1941 is good for both mink and fox ranchers.

### Matters Affecting General Policy

*The Ensuring of Supplies Needed in Production.*—An effect of the War has been to cut off certain supplies needed in production. Considerable quantities of sugar-beet seed, for example, normally come from European sources, and the same applies to mangel and swede seed and to various vegetable seeds. A national effort