

already in effect to stabilize prices and urban wages. Price ceilings were announced, effective Dec. 1, 1941, on all commodities except fresh fruits and vegetables. The main effect of this order was the setting of maximum retail prices for most farm products, but because of the nature and scope of the trade in these products, provision was made to exempt sales made by farmers to dealers, processors or manufacturers. In the succeeding 18 months, many of the individual ceilings had to be modified; this was especially true in the case of live-stock products. Ceiling regulations have also been applied to such vegetables as onions and potatoes and to certain fruit crops. The establishment of a program of price control has led to the use of subsidies, producer subsidies being employed to stimulate production along certain important lines.

**Grains.**—The 1943 objectives set for Canadian grains called for a reduction of the area sown to wheat and an increase in that to coarse grains. The wheat area was reduced to 17,500,000 acres, or something over 4,000,000 less than in 1942. The difference was taken up with coarse grain and forage crops.

The record yields of 1942 materially increased the supply of grains in storage. These large supplies over-taxed storage capacity, and in some areas grain was piled on the ground. It soon became apparent, however, that this unprecedented supply would be paralleled by demand development, both in Canada and in other countries of the United Nations. Record amounts of wheat, for example, were used as live-stock feed in Canada during 1943.

A similar expansion of demand for grain occurred in the United States as a result of increased live-stock numbers and heavier feeding, and Canadian grains were in heavy demand. From August, 1942, to July, 1943, nearly 100 million bushels of coarse grains moved across the line, and negotiations for a considerable amount of wheat had been undertaken.

At the same time, Allied victories in the Mediterranean and North Africa have liberated considerable numbers of people whom the United Nations will feed. This relief feeding has added materially to the large commitments already made with the United Kingdom for flour and other wheat products.

Considerable difficulty arose during the early months of 1943 in the distribution of Canadian grain. Eastern Canada depends heavily on western grain for live-stock feeding, and efficient distribution is as important as large supplies. The tremendous task faced by the Canadian transportation system in moving war material and personnel was complicated during the late winter months by serious storms. Later, a shortage of labour at the Head of the Lakes impeded the normal flow of grain to the east.

In the hope of forestalling similar difficulties in 1944, the Government undertook to pay storage and interest charges on grain brought east during the summer months and stored at designated elevators for winter use. Additional provision was made to bonus the farmer who bought early and utilized his own storage during summer and fall months.

The Freight Assistance Policy was continued in effect on a basis similar to that of 1942. From August, 1942, to July, 1943, the freight was paid on 18,900,000 bushels of wheat, 21,900,000 bushels of oats, 16,800,000 bushels of barley, 600,000 bushels of rye, and 712,000 tons of mill feeds and screenings.

**Bacon Hogs.**—Fulfilment of Canada's fourth bacon agreement with the United Kingdom will require the production of 675,000,000 pounds of bacon, or approximately 5,625,000 hogs. This represents an increase of 75,000,000 pounds over the