

1941-42 contract and almost as much bacon as was exported during the four years of the First World War. The contract price for this bacon is \$21.75 per 100 pounds Grade A "Wiltshire" at seaboard, a considerable increase over the former contract prices. In addition, the eastern provinces are continuing the subsidy payments.

Domestic consumption in Canada was maintained at a high level during 1942. The total disappearance of pork products in Canada exceeded that of 1941. Hog marketings for the year 1942 showed a slight decrease from 1941, but the total dressed weight was higher as a result of higher average carcass weights.

In order that meat supplies could be most effectively distributed, and that more hogs could be channelled into export trade to meet the requirements of the 1942-43 contract, live-stock slaughter was brought under control. An order was issued on Jan. 1, 1943, putting all slaughterers of hogs as well as other live stock under a licence system.

Beef Cattle.—Numbers of beef cattle on farms during 1942 continued their upward trend. Cattle slaughterings were slightly lower in 1942 than in 1941. Total dressed weight, however, was higher due to the higher average carcass weight.

Prices continued to rise throughout 1942, and were considerably above pre-war levels. A beef program has been established which is designed both to ensure for producers a stable market and to protect consumers against further increases in retail prices. Wholesale price ceilings for various cuts of beef have been set. Prices are free to vary below the ceiling according to market conditions but producers are protected against undue fluctuations because any surplus beef is purchased by the Meat Board for domestic stock piling or export, and floor prices have been set on dressed beef.

With the introduction of meat rationing, it has been necessary to maintain more control of the live-stock slaughter industry. Beef cattle may be slaughtered only under permit issued by the Wartime Prices and Trade Board.

The growing needs of the domestic market and the Armed Services assures Canadian beef-cattle raisers of an adequate market for all of their live stock.

Dairy Products.—The increased purchasing power of the Canadian consumer since 1940 has been directly reflected in increased purchase of milk, butter, cheese and other dairy products. Exports of cheese and evaporated milk products were also increased and, in order to maintain supply, it was necessary to stimulate production by the payment of subsidies direct to producers. This course was necessary because retail prices were under control of the Wartime Prices and Trade Board, and ceiling prices had been established for dairy products, along with most other goods, in the latter part of 1940, in order to arrest the rising cost of living. The supply problem was further accentuated in December of 1942 when the retail price of milk in Canada was reduced 2 cents a quart to assist in lowering the cost of living. About the same time butter rationing was introduced in Canada. To meet estimated requirements for all needs, a total of 18,500,000,000 pounds of milk will be required during 1943. The estimated actual production for 1943 as given at p. 232 is 17,500,000,000 pounds, which represents only a fractional increase over the total production for 1942 and an increase of 10.3 p.c. over the average production from 1936-40.

Domestic requirements of butter in Canada increased to 391,000,000 pounds in 1942, an increase of 8.4 p.c. over the five-year average 1936-40 of 360,000,000 pounds. Since the outbreak of war, both maximum and minimum prices have been set for butter and, while these prices have been adjusted from time to time, butter prices have remained relatively stable.