

the depression years produced another change in the economic situation. Although dairying was at a low ebb, because of unemployment and small payrolls, it became a more important factor in relation to total farm production. After 1932 milk output began to increase, moving from less than 14,000,000,000 lb. to approximately 15,800,000,000 lb. in 1939. From then onward, the influence of the War began to make itself felt in increasing the demand for dairy products. During the five-year period, terminating with 1944, the production of milk increased approximately 1,800,000,000 lb., and the industry as a whole has made an immense contribution to the food resources of both Canada and the United Kingdom.

A notable feature of the dairy situation is the shift in production which has given Western Canada a larger share of the expansion in dairying enterprises. In 1920, Ontario and Quebec contributed approximately 67 p.c. of the total milk production of the Dominion; the Prairie Provinces produced 22 p.c. of the total milk supply, while the Maritimes and British Columbia shared to the extent of 9 p.c. and 2 p.c., respectively. In 1925 increases were recorded in Western Canada, the Prairie Provinces contributing 26 p.c. and British Columbia 2.5 p.c., whereas the production of Ontario and Quebec fell to 63 p.c. and the Maritimes to 8 p.c. A further shift in favour of the Prairie Provinces was recorded in 1932, and by 1944 Ontario and Quebec were supplying only 60 p.c. of the milk production while the Prairie Provinces produced 30 p.c., the remaining 10 p.c. being divided between the Maritimes and British Columbia in the relationship of approximately 6 to 4.

**Sales Income.**—Farmers have been receiving large incomes from the sale of dairy products during the war years as a result of the subsidies and bonuses now being paid by the Government. In 1944 the income from dairying amounted to \$264,000,000 as compared with \$148,000,000 at the commencement of the War in 1939. The relationship of dairy sales income to that of total farm income was only 8 p.c. in 1920; but during the course of the next five years it moved up 12 p.c., and reached the high point of 31 p.c. in 1932. As other lines of farming became more profitable, declines began to develop. In 1936 this relationship fell to 26 p.c. and, regardless of important advances in dairy production and prices, the 1944 income represented only 21 p.c. of the total farm income of Canada.

**Prices of Dairy Products.**—Butter prices at the factory, which had averaged approximately 23 cents and 25 cents a lb. in 1939 and 1940, advanced to nearly 33 cents in 1941 and 34 cents in 1944. The former prices were comparable with those paid during the early stages of the War of 1914-18, but were considerably lower than those paid in 1919 and 1920 when the average was 54 cents and 57 cents, respectively. Factory cheese prices moved up from 12 and 14 cents in 1939 and 1940 to nearly 21 cents in 1944; whereas in 1916 and 1917, cheese prices averaged 18 and 21 cents, respectively. In 1920, however, the prices advanced to 26 cents. Sales income figures have shown a steady increase since the beginning of the War. In 1944, the average was \$1.87 per hundred lb. of milk as compared with \$1.27 in 1939. These were lower than those of 1920, however, the average for that year being \$2.17. Plant cost of milk in 1944 was \$1.64 while the farm value of milk was \$1.82 and the total value of dairy products averaged \$2.22 per hundred. In 1939, the same items averaged \$1.14, \$0.92 and \$1.37, respectively.