

**Effect of the War on Trade in Furs.**—Several branches of Canadian industry were adversely affected by the impact of war, and among them was fur farming. Because of the exigencies arising out of the conflict, the London market, which in normal times took about 80 p.c. of the total production of Canadian fox furs, was lost. With the loss of this market, other outlets had to be explored. The United States, fearing their market would become flooded with pelts from Canada and other countries, imposed a quota in 1939, limiting imports from all countries to only 100,000 units annually. Of this quota, Canada's portion was 58,300 units for the year, and not more than 25 p.c. of this quota was allowed entry in any one month. Under the original quota arrangement each piece, head, paw, tail, or finished article, was considered a unit for quota purposes.

During the first month of 1939 sufficient pelts, chiefly of inferior quality, pieces and tails, were presented for entry to fill the quota for the whole year. Although, as pointed out above, only 14,575 units were allowed entry in that month, the greater portion was held over and presented for entry at each opening day of the quota in subsequent months. In order to avoid recurrence of this situation in the 1940-41 season, government grading was established and qualitative restrictions were placed on the export of standard silver and black fox pelts to the United States and only pelts of the better grades were allowed to be exported to that country. This was most important because practically the only market left open was the United States market. The sale of pelts to that market brought back considerable foreign exchange needed under war conditions and at the same time proved an incentive to the producer who wished to ship pelts to that market to do considerable culling of his breeding animals as, prior to that time, the quality of the industry had been becoming somewhat inferior. In time it was noticeable in some of the provinces that the quality restrictions had had a good effect, and that an effort was being put forward to improve the standard of production. In the autumn of 1940 quota arrangements were amended, whereby Canada's portion of the 100,000 pelts allowed into the United States annually was increased to 70,000 pelts and not on a unit basis, for a separate quota was established for pieces and tails.

Recent breeding developments on fur farms and the active interest being shown in this phase of the industry indicate that there will be a further expansion of production on fur farms in the years immediately following the War.