

Q. As one of the senators suggested a while ago, you cannot go on producing milk if you are not getting interest on your investment?—A. As I see it, reduced prices for agricultural products are not at first reflected in any reduction of output. Although I am not a wheat farmer, I have given quite a lot of study to grain economics. I remember being asked in 1930, I think it was, by a certain high official of the Canadian Pacific Railway Company, if I did not think that the low prices which then prevailed for grain would very soon work their own cure by resulting in greatly lessened production in Western Canada. I said that I did not think so, and he started to talk about the law of supply and demand. I replied that that was a very hackneyed argument, but since the farmer in a large part of Western Canada has no alternative but to produce wheat, he would try to produce more when the cost was low than when the cost was high. And so it has turned out. However, if the price goes low enough and continues long enough at a low level, a certain process of decay will go on; tools cannot be repaired or replaced, tractors cannot be operated, labour cannot be hired. So if the low price continues long enough, the reverse tendency begins to show itself in reduced production, not on account of unwillingness of the farmers to produce, but on account of inability to do so, which is a very different thing. I think we are approaching that period, and I would look for greatly enhanced prices for agricultural products, but unfortunately not accompanied by increased purchasing power. So that the high prices which some of our friends, whom you all can think of, so greatly desire, will not usher in the economic millenium. We shall have high prices and low purchasing power, and people crying out not because they cannot pay their mortgages but because they cannot pay their current bills. In other words, the burden will be shifted from one shoulder to the other, but it still will have to be carried.

By Hon. Mr. Gillis:

Q. That is rather a blue outlook.—A. I do not know.

Q. You think that the Western farmer will, by reason of the low prices, naturally reduce his production?—A. I said that there is a tendency that way, which I think will be fairly manifest this summer. But I think that the increase in prices will come soon enough so that it will not go very far, but there will be a tendency that way.

Q. So that it may not become necessary to compel the farmers of the West to reduce their acreage by fifteen per cent?—A. I certainly hope they will not be asked to do anything so ridiculous. It is a very interesting subject, but I think you would prefer to have me deal with dairying.

By Hon. Mr. Buchanan:

Q. In answer to a question by Senator Pope, you said that if you were farther away from transportation you would probably consider using milk for feeding hogs?—A. Absolutely.

Q. Is there a tendency now, on account of the better price for hogs, to abandon dairying and turn to the raising of hogs?—A. Yes.

Q. Is it noticeable?—A. Yes, in the eastern townships. Of course, practically speaking, they have no hogs there, but they feel that if they did have them they would be making more money, and that cheers them up immensely. A man's neighbour will possibly drive down the road with a few hogs and come back with \$150 and this man will say to himself, "If I had kept those hogs I had, I could have got as much money as that now." He is not blaming the Government or any other outside sources for his present situation; he simply sees that if he had kept his hogs he would have been better off, and as I say, that cheers him up a lot.

Q. Say that we were able to extend the market for hogs in Great Britain, would that have any effect on milk?—A. It would relieve the pressure on the fluid milk market in Montreal, but it would not lessen the production as a whole.