

In your plans and programmes as a Federation, as in those of the government, both the production and marketing sides of agriculture have to be considered.

Great progress, astounding progress, has been made in the former - but that progress, especially in an exporting country like Canada, won't mean much to the farmer unless we keep up the marketing end. But here we come right up against problems and against difficulties that simply cannot be solved - though they can be caused! - by national action alone. The most industrious and efficient of national producers, assisted by the wisest of national governments cannot themselves determine the levels and value of international trade, and therefore the income that will be received by individuals.

That is only one reason why I am not going to attempt to forecast the course of international trade or the level of economic activity in Canada or elsewhere during the coming year. But I would like to refer to one or two aspects which are of special interest to you and which have a bearing on our relations with other countries.

We have recently had difficulties in the United States, and elsewhere, in marketing our farm products and we will continue to have them. We hear much of import restrictions and even more of rumours of such restrictions. To a large extent, the pressure in the United States for these restrictions arises out of their present agricultural programme and mounting stocks in the hands of the United States Commodity Credit Corporation; now worth about 5 billion dollars. The accumulation of these large stocks also threatens to create problems in other markets which are of concern to us and to other countries. Movements of massive United States surpluses, or "reserves", as they are sometimes called, through give-away programmes or through sales at cut prices or for local currencies are almost bound to affect ordinary exports directly or indirectly. I am not now referring to relief shipments for famine and distress. That is something very different to the disposal of surpluses by "fire sale" marketing methods.

In the circumstances which now exist, it is not surprising that so much attention - and by others than Americans - is being concentrated on future agricultural policies of the United States. We in Canada naturally hope that these policies and the arrangements which the U.S.A. will make for disposing of existing agricultural surpluses, will help and not hinder the creation of conditions throughout the world in which both consumption and economically sound production will be encouraged.

None of us wants to see food production curtailed or surplus food destroyed when there are so many hungry people to be fed. Indeed as long as these people remain hungry there can't be such a thing as a "surplus" except in the economic sense. All of our humanitarian and social instincts rebel at a policy of contrived scarcity and food destruction. It is not in the interests of the underfed, however, to have temporary surpluses of food created in some countries by means which involve restrictions on the exports, and hence ultimately on the output, of other producing countries. Nor is it in their interests to have "surpluses" distributed in a manner which will disorganize markets and thus reduce production elsewhere. These are not the ways to bring about a real and dependable increase in the world's supplies of food.