

*Agricultural Products Act*

only by means of a great expansion in our exports to Canada that we can maintain our imports.

The report goes on to say:

But Sir Stafford said that while the United Kingdom's policy was to reduce food imports, it was anticipated that Canada would be able to provide greater supplies of the raw materials needed for Britain's industrial drive.

That will not help our food producers at all. Further on the report reads:

The Chancellor of the Exchequer recalled that the United Kingdom had signed reduced contracts with Canada for further quantities of bacon, cheese and eggs for 1949, but—

And these words are in quotation marks. —“if, as at present looks possible, we are obliged gradually to limit our imports of these foods somewhat further, it will of course only be after the fullest consultation with your government.”

I do not know what consolation it will be to have consultations if we are not to have better results than we have been having recently.

I now come to another authority, one who I think is also unprejudiced, namely, the economist writing in the monthly review of the Bank of Nova Scotia. I quote from the October issue:

The truth is that, though the world food shortage is still acute, the market outlook is clouded with uncertainties. The system of selling our major agricultural products through long-term contracts with Britain, which was built up in wartime, is obviously under considerable pressure. Even the wheat contract, though it has proved the most stable part of the long-term-contract policy and the most desired by Britain, has been placed under serious strain by the developments of the post-war period. As for the animal-product contracts, it is now well known—

I hope that hon. members will note this.

—that the British last winter—

This is speaking of the winter of 1947-48.

—extended some of them with reluctance and as a condition of continuing to get wheat at the moderate contract price.

That is a wholly nonpartisan view.

Again this fall the question of payment is serious,—

That is, last fall.

—and the size of the bacon and egg contracts now being negotiated will depend on what financial arrangements can be made.

They have since been determined, and the minister has announced what the amounts are.

Under present circumstances, Britain is of necessity turning more and more to countries of supply where payment can be more easily arranged, and recent contracts with Denmark, Australia and New Zealand indicate a further decline from Canada's wartime share of the British market. Further curtailment of the British market for Canadian bacon is the possibility with the most serious implications for Canada since the increased production in this field has been largely dependent on that market.

[Mr. Fracken.]

As a matter of fact, the development of large sections of this country is largely dependent on that market, and we must strive to retain it for these particular commodities and for others, because to the extent that it is denied us, to that extent are we driven back into types of agriculture such as continuous wheat growing, which is exhaustive of soil fertility and which for some areas is not the best type of agriculture. That is not any criticism of wheat growing, or of those who are engaged in it—I am engaged in it myself; but to the extent that this country is driven away from livestock farming and into straight grain growing, particularly for export, to that extent is our economy driven backward instead of forward. I mention this simply to emphasize the importance of preserving markets at all costs for these livestock commodities.

I shall read two other brief extracts from this document:

Thus Canada is faced with problems of readjustment—of finding other markets, and of adjusting her agricultural structure to meet the changed demand situation. The European recovery program is of course cushioning the transition.

It is fortunate that a wealthy and prosperous nation has entered into one of the greatest philanthropic schemes ever entered into by any nation in the history of the world. As a result, their money is being used to purchase some of our commodities to be sold or otherwise disposed of in Britain and in other parts of Europe. Otherwise our situation would be far worse than it is today.

There is one other comment in this review that I should like to read. It is as follows:

Moreover, the United States now has large exportable surpluses of grain which are proving a restrictive influence on sales of some Canadian grains and grain products to Europe. For instance, early in the season the United States Department of Agriculture declared oats surplus, and therefore ERP funds cannot be used for purchases of oats in other countries.

The Minister of Agriculture has referred to the regulations under this project in Europe. He told us how, under certain circumstances, it works to our disadvantage. On the whole that great philanthropic scheme works to our advantage as well as to the advantage of the world. But when in some respects the United States has a surplus of its own commodities, it does not permit the import of similar commodities from other countries. That is what will make it difficult for this country to find an adequate market in the United States.

I now come to another set of facts which were tabled in the House of Commons in Great Britain nearly two months ago. These were referred to by at least one hon. member in the debate, namely, the hon. member for Durham (Mr. Stephenson). I hold in my hand