

10. The Cabinet, after considerable further discussion, agreed:

(a) that the proposals submitted by the Minister of Agriculture regarding food contract arrangements with the U.K. government for 1949 be approved and that discussions with the United Kingdom be initiated on that basis; and,

(b) that the U.K. government be informed concerning drawings on the Canadian credit during 1949 on the lines indicated by the Minister of Finance.

Agriculture; statement regarding bacon exports to the United Kingdom

11. The Minister of Agriculture drew attention to press reports that the U.K. Minister of Food had attributed the recent reduction in the U.K. bacon ration to a temporary decline in Canadian deliveries.

In the circumstances a suitable statement should be made public describing the history of Canada-U.K. bacon contracts since 1943 and indicating that Canada was maintaining deliveries of all bacon which the U.K. were willing to purchase.

A draft press release had been prepared for this purpose and was submitted. Copies were circulated.

(Department of Agriculture draft press release, Nov. 9, 1948).

12. The Cabinet, after discussion, approved, with certain revisions, for release to the press the draft statement submitted by the Minister.

Eastern Canadian potatoes; price support; export to the United States

13. The Minister of Agriculture, referring to discussion at the meeting of October 27th, said that conversations had now taken place in Washington with U.S. officials.

The very large potato crop and the anticipated surplus in Canada, the high U.S. floor price and the consequent heavy movement of Canadian potatoes to the United States had resulted, in effect, in the U.S. government subsidizing imports from this country.

In the circumstances, it was necessary to consider the establishment of price support to permit of orderly marketing and avoid serious difficulties with the U.S. government.

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