

Agricultural Products Act

According to Mr. Eggleston, this is the point of view of those advisers to the Minister of Agriculture on the one hand and the Department of Finance on the other.

Mr. Burton: What is your advice?

Mr. Bracken: The hon. member has not shown such impatience in this respect over the last few years. As I have stated, I shall be glad to talk to him any time he wishes to come around to room 561. To continue:

These advisers urge a cold-blooded and objective appraisal of the situation. The years can't be rolled back; Humpty-Dumpty can't be restored to his perch; Canadian external trade, including food exports, must be reoriented, at whatever cost—our economic future, say some experts, is now intimately tied up with the U.S., and we should act accordingly.

Is it true, Mr. Speaker, that there are divergent views in the government on this matter? The problem is of pressing importance; yet the government is not taking the proper or necessary steps to save the British market for us.

An economist in one of our agricultural institutions has pointed out what is happening. I refer to David MacFarlane of Macdonald College. Writing in the *Canadian Countryman* of October 16, 1948, this is what he said:

Since May 5 of this year Canadian trade policy, and with it Canadian farm policy, has been brought into the United States orbit of influence. From that date until September 20 Canada sold \$263 million worth of supplies to the United States for delivery to western European countries receiving aid under the Marshall plan or the ERP (European recovery program).

In the next six months the rate of Canada's sales to the United States for this purpose will increase. More than two-thirds of these funds have been and will continue to be spent on farm products. Essentially what is happening is that the United States is financing the Canada-United Kingdom food contracts. Thus sales to the ERP have come to represent by far Canada's most important export outlet for farm products.

Then Mr. MacFarlane goes on to show to what extent United States funds are helping us and the way in which that great nation is helping to restore the world to a sound economic basis. Mr. MacFarlane ends his treatise in this way:

Canada is not now giving or lending a dime toward European or world recovery. That is not to the credit of a rich country with incomes at the highest level in history. If European recovery is worth \$15 billion to \$20 billion to the United States, it must be worth something to us! Many Canadians think so. The United States Department of State thinks so. The recent visit of Mr. Cripps to Ottawa indicates that the United Kingdom thinks so. Canada cannot afford to miss the present opportunity to serve in the cause of world peace. Independent Canadian action to aid world recovery is necessary if we are to maintain the high place we hold in the councils of the United Nations.

With respect to the question asked by the hon. member for Humboldt (Mr. Burton), I

[Mr. Bracken.]

will read to him a statement from the report of the foreign exchange control board which I think, as to this narrow phase of our problem, expresses a point of view that ought to have widespread support. I quote from page 7 of the 1948 report of the board as follows:

The situation outlined in the preceding paragraphs can hardly fail to have unsatisfactory repercussions on all countries which have an important stake in world trade and in the development of non-discriminatory trade relationships among nations. It is therefore important that the risks involved should be recognized at an early stage. In addition to greater efforts being required on the part of ERP countries to develop and maintain dollar markets, it is also important that the dollar countries—

That is, ours, among others.

—should give as much encouragement as possible to imports from these countries.

That is the major constructive way in which this problem can be met. This statement comes from and I believe is an unprejudiced and an informed source. The paragraph concludes with this sentence:

The general objective should clearly be to maintain international transactions at a high level rather than to achieve a balance in dollar accounts through a network of restrictions and discriminations.

That statement comes from one of our own government publications. I think it is extremely wise. When asked the other day how to meet this problem the Minister of Finance (Mr. Abbott) said in effect: It is a difficult matter. If we make further loans or gifts we may not get them paid back. It may not be the best way. If I may paraphrase his words, he said that the answer is for the sterling countries, or the United Kingdom or western Europe to produce more and to sell their surpluses at competitive prices. To me, Mr. Speaker, that means that he is only telling those countries to worker harder and to eat less. I do not think a policy of that kind will accomplish a solution of this problem. I think it is just a state of defeatism.

While we are waiting for something to happen, our markets are being lost. Britain is trading more and more with other places. Once she gets trading with them, even supposing she gets relatively strong in the next three or four years, will it be easy for us to get back those markets? I suggest it will not.

The question asked by the hon. member cannot be dealt with by one narrow approach. I have referred to one approach; there are many others. One might indicate some of them. I shall not pretend now to answer fully a question of such major importance without careful thought. But I would say first of all that this government should get out of the business of making food contracts and let those who produce the food make their own contracts. Then I would say that we should help the producers to organize their own marketing machinery. We have been saying