

Minister of Agriculture before commission I of FAO on November 23, 1951. This is what he said:

Our barley supplies are better than ever before, and our oat supplies above the long-time average. These, together with our feed wheat position, make it possible to produce more meat and dairy products . . . I am afraid this increased production of meat and dairy products will not materialize unless fears are removed from the minds of our farmers. The meat and dairy farmer has no assurance he could dispose of his surplus if it were produced. His experience suggests to him that there is no outlet.

That statement was broadcast across Canada by various farm organizations, and Mr. Hannam in commenting upon it stated that farmers would be crazy to expand their production with that situation. Then again, when the Minister of Agriculture spoke before the Canadian Federation of Agriculture convention a month ago, he had this to say, as found in the *Western Producer* of January 31, 1952:

Warning farmers against embarking on highly stepped-up production of food for the domestic market, Mr. Gardiner said earnestly that it was true the government did want to see production up. But as long as Britain lacked the dollars to buy Canadian cheese and bacon and eggs he was not going to tell any farmer to produce more hogs, more eggs or more cheese.

A statement of that kind is of course bound to discourage food production especially when it comes from the Minister of Agriculture. I do suggest that if we in Canada were prepared to adopt measures similar to those adopted by the United States with respect to Canada, the making of large-scale investments, if we were prepared to accept sterling for a certain amount of our meat shipped to England and then invest that sterling, thus increasing the productivity of Great Britain, there would be no trouble in disposing of our production. In that way we would increase the productivity of Britain so that they would have more exports with which to buy other imports. We would be doing exactly the same thing as the United States is doing with respect to Canada. I do not know whether the Minister of Trade and Commerce considers large-scale American investment in Canada a good thing for this country. I presume he does. The Minister of Finance said he did not think there was any harm in it. It is a good thing for the United States and Canada. I suggest we could reciprocate by doing the same thing with the sterling area, and in that way provide them with the dollars with which to buy our products and at the same time help to expand their productive capacity.

Mr. Howe: I think the farmer is in the same position as almost anyone else. He must consider the crop that will give him the

greatest return. For instance, now that the foot-and-mouth disease is shutting us out of a good many markets for beef, I would not think this would be a good time for the farmer to expand his beef production. Anyone who produces anything must gauge his market and shape his course accordingly. On the other hand, instead of feeding his coarse grains to livestock the farmer can find a ready market for those coarse grains, and as he tapers off one type of production he can build up another. Conditions change from year to year in any business. For instance, a manufacturer of stoves has to size up his market for the current year before he can plan his production. That applies to anyone who manufactures anything, and to some extent it applies also to the farmer. He must size up the future too. I spent a good part of my early years on the farm, and I know a great topic of conversation among my elders was what they should plant this year, what would seem to have the best prospect of success.

Nevertheless if my hon. friend will look at the gross farm income over the years I think he will find that farm production has not been going down. As a matter of fact it has been going up. I think 1950-51 showed the biggest over-all income for the farming community of any year in history. If we have good crops in the fall it is probable that 1952 will be a still bigger year as far as farm income is concerned.

Mr. Quelch: I would agree that farm production has been high, and that until the outbreak of foot-and-mouth disease prices were fairly satisfactory, generally speaking. But changing over from livestock to grain is not as simple as some of the other things the minister referred to. It is a simple matter to change over from wheat to oats or oats to barley, but the production of livestock is a long-term proposition. You cannot change pasture into cultivated land overnight. We hope that in the not far distant future the foot-and-mouth disease will be cleared up and then no doubt the United States market will be opened again and we will be able to ship our cattle there.

Mr. Howe: I would like to correct my hon. friend. I did not suggest that people should cut back on livestock. I said it would not be a good year to expand livestock production.

Mr. Quelch: But I think the government should give attention to this whole question of finding ways and means of getting rid of surplus production. If instead of statements such as the one I read by the Minister of