

*The Budget—Mr. Blair*

bureau of statistics, but Canada's population has increased by a million and three-quarters since 1945. The human population has increased and the cow population has decreased. Prices paid by farmers in Ontario for feed have increased. Higher feed costs, higher wages and shortage of help on dairy farms, competition from cheap foreign oils, low prices for dairy surpluses, all are forcing the farmers to cut down production. Lack of production is now forcing upward the price of products like butter.

Then again, there is the episode of the New Zealand butter. Under the ruling of the government approximately five million pounds of New Zealand butter was imported for the Canadian market. This butter was priced at 56½ cents per pound at seaport, while the floor price of butter was 53 cents per pound. This is another matter of difficult competition for Canadian dairymen. But when, owing to shortages of butter, the price per pound reached a high of 82 cents, the price of margarine was raised without any reason or provocation whatever. The Canadian consumer suffered at the hands of the interests controlling margarine. And yet we have in Canada a great dairy industry unable to support its own domestic needs or unable to fulfil an export contract which is a skeleton of our former export trade.

We are now building up our defences against the danger of communist aggression, and we must organize our economy so that we can make the greatest possible contribution to the Atlantic pact. It is just as important that agriculture be organized in any campaign for preparedness or actual war, as it is that there be organization of manpower and industry. This was proved in the last war when Canadian agriculturists produced food for the allies, and it was one of the outstanding features of our war effort. Even then, when controls were first instituted, the price of farm products was not on a level with that of other commodities.

Conditions have changed since 1939. Then there were surpluses, manpower problems, and prices were depressed. Farmers were anxious to get into high production. It was simply a matter of telling farmers the requirements and to fix their prices. The result was that in the ten years from 1939 to 1948 we exported food products to help feed our army and our allies. We exported over a billion pounds of cheese, half a billion pounds of evaporated milk, over six million pounds of milk powder, and practically supplied the entire British ration for bacon. We exported nearly seven hundred million pounds of bacon in 1944 alone.

If we had kept up such exports after the war, to help relieve famine in Europe and

Asia, we might not be in the position in which the world finds itself today. Hungry people are open to the propaganda of communism.

What is the position of agriculture in 1951? With the single exception of wheat we have no surpluses of food. It would require a tremendous amount of reorganizing to start to feed our allies, in comparison with the situation in 1939. In one year alone, 1942, we sent Britain 150 million pounds of cheese. It is doubtful if we could send 35 million pounds this coming year. There is no available manpower for farms, and dairy farmers require men who have had some training in the occupation. Surplus cattle, and surplus hogs, on which to start building, do not exist. Owing to the demand for export cows, and the high prices paid for meat, our stock has been depleted. Inflation has priced our products out of the market. Cheese and milk producers cannot produce at a world price and live and buy at inflated prices in Canada.

I remember an interview that the Minister of Agriculture (Mr. Gardiner) gave to the Canadian Press when he landed in Montreal after his last trip to England, in which he stated that he cannot conceive of Britain offering prices high enough to stimulate extra production. He stated that the British would like to buy Canadian products but that they are not willing to pay the current domestic market prices in Canada and the United States.

In the event of war, the food production in this country would be in a deplorable state in relation to that which would rightfully be expected of us as a member of the Atlantic pact. If we attempt to plan anything like the amount of food required in the last war, much reorganization will be required before it can become available. It would require two or three years before cows could produce milk products, and hogs for bacon could be provided. This brings us to two alternatives. Are we going to start now in the hope of getting necessary production in two or three years, or will it be necessary in the event of war tomorrow to commence rationing and to reduce the standard of living at a time when we are calling for our greatest effort?

Under the Atlantic pact I believe that one of our greatest contributions would be food. In any war, or preparation for war, full production of agricultural products rates in importance with guns or aeroplanes. As part of our defence plans of the future we cannot afford to let the great dairy industry deteriorate, but it must be maintained as a great national industry providing employment and food for our own people and for our allies.