

A reduction in Canadian export volume from the peak year of the war does not reflect corresponding reductions in production but is in part because of increased domestic consumption. The Canadian agricultural economy, at the present time, is producing at a level which meets the effective demand and in some commodities tends to exceed it. But the effective demand, when we take into consideration the dollar supply, is restricted by monetary difficulties and trade restrictions rather than lack of hunger.

The importance of agricultural exports in our economy places Canada in a unique position. Products of farm origin, while below war-time levels still represent a substantial part of total exports, and of these wheat alone accounts for about 15 per cent. Canadian farmers, therefore, are still vitally concerned with world markets and are fearful lest monetary difficulties and other trade obstructions deny them entry to their natural market which is the market of Great Britain. We are the nearest of all countries which supplied them in war-time. We still want to supply them until their needs are satisfied. If we did that we would not have any marketing problem in those products which they required from us during the war.

During recent years as much as 44 per cent of our farm production has entered export trade. To refer again to wheat as an example, about 75 per cent of our production has been sold abroad. Thus, in relation to some other exporting countries Canada has an economy which is particularly dependent upon exports - both from the point of view of the volume and the consequent reaction of Canadian prices to changes in world prices.

We welcomed the statement of the United States representative that they are anxious to put part of the area now in grain back into grass and the economy of Canada would benefit by that being done at an early date. It is essential for us to export 75 per cent of our wheat. Unless our exports can be maintained we cannot continue to purchase large quantities of goods from the United States and the United Kingdom. We should purchase from other countries, including those two, such goods as they can produce at lower costs than they can be produced in Canada.

I hope that nothing in the Report will suggest that the United States should not follow the conservation measures which have been outlined by the Delegate from that country. That, together with the removal of the embargo on the export of wheat from Canada to the United States would eliminate most of our difficulties and would go a long way to solving any international wheat problem with surplus wheat.

As pointed out in the FAO Report, Canada and the United States are now exporting two-fifths of the food commodities moving into international trade. It should be remembered, however, that this overall figure conceals some important changes in export supplies over the last ten years. Immediately prior to the war Canada's exports of wheat, for example, made up almost half the international trade in this commodity. The International Wheat Agreement of 1942 assigned 40 per cent of the agreed exports to Canada and less than half of this amount to the United States. Today, however, the latter country is providing the major share of cereals to importing countries. In the case of wheat, for example, the Report states the United States is today supplying almost one-half the total quantity entering into international trade. This contribution of United States agriculture to the needs of people in many countries of the world could be assumed by Canada as in the pre-war period if there existed any large effective demand and the need of the world would not suffer.