

Ireland ... has pointed out that the British are hungry for their joint of beef and hunk of cheese. We, in turn, must find some other natural market for these products or shrink our production of them because the United Kingdom has not the dollars with which to buy. And I repeat, if the farmer cannot sell his produce he cannot buy the industrial products of his own or other countries.

The seriousness of the situation is stressed in Paragraph 26 of the "Review" by the Council, which reads: "Unless a concerted effort is made to restore trade and payments equilibrium, the persistence of present difficulties threatens to reverse the trend towards freedom from want. It would compel some of the largest surplus producing countries to restrict their agricultural output and deficit countries to expand their production at any cost".

The Report further points out that we may be threatened in the near future by "surpluses" - however artificial they may be from a world standpoint - in such commodities as bread grains, coarse grains, rice, sugar, fats and oils and fish. We have already been threatened in Canada by surpluses of most of the foods referred to, the exceptions being rice and sugar.

The imminent appearance of food surpluses in the world is of particular interest to Canada which, since the beginning of the century has been a food exporting country. As a result of the wartime expansion in production, both industrially and agriculturally, Canada became the third most important trading country in the world.

This development in Canada's trading position took place largely after 1939 in an effort to meet needs in a world devastated by war. In this effort the farmers of Canada played a major role and the expansion in the production of food enabled exports to the Allies at levels never attained before, and we may have difficulty in attaining them again. Wheat shipments, for example, increased from the 1939 export of 193 million bushels to 344 million in 1944, but in 1947 were 196 million. Pork exports increased from 1939 level of 195 million pounds to 718 million in 1944, but, again, there has been a drop to 56 million pounds in 1948/49.

With reference to cheese we find a similar increase in exports from 90 million pounds during 1939 to 135 million pounds for the year 1945 and it has dropped to 40 million in 1948. This was not because the United Kingdom did not want our cheese but because we did not have the dollars to pay for it. This same situation is not true in the case of beef. Our beef is not being sent to the beef hungry people of the United Kingdom. Our beef is exported to the United States because the British have not the dollars with which to buy it which Canada needs with which to buy United States goods. I feel that there is much truth in the argument made by the delegate of Ireland. If we could remove that one difficulty of lack of dollars we would have solved many of our problems.

We listened with interest a few minutes ago to the comments of the delegate of the United States on the question of handling surpluses.

The United States has done a marvellous job in supplying dollars through the Marshall Plan. If there is any method by which the problem of inconvertibility can be dealt with which would help in removing those surpluses which E.C.A. funds do not provide for I am sure the one country which would be best qualified to state it could be the United States. I am sure that if they could make such a proposal to the conference it would be most welcome.