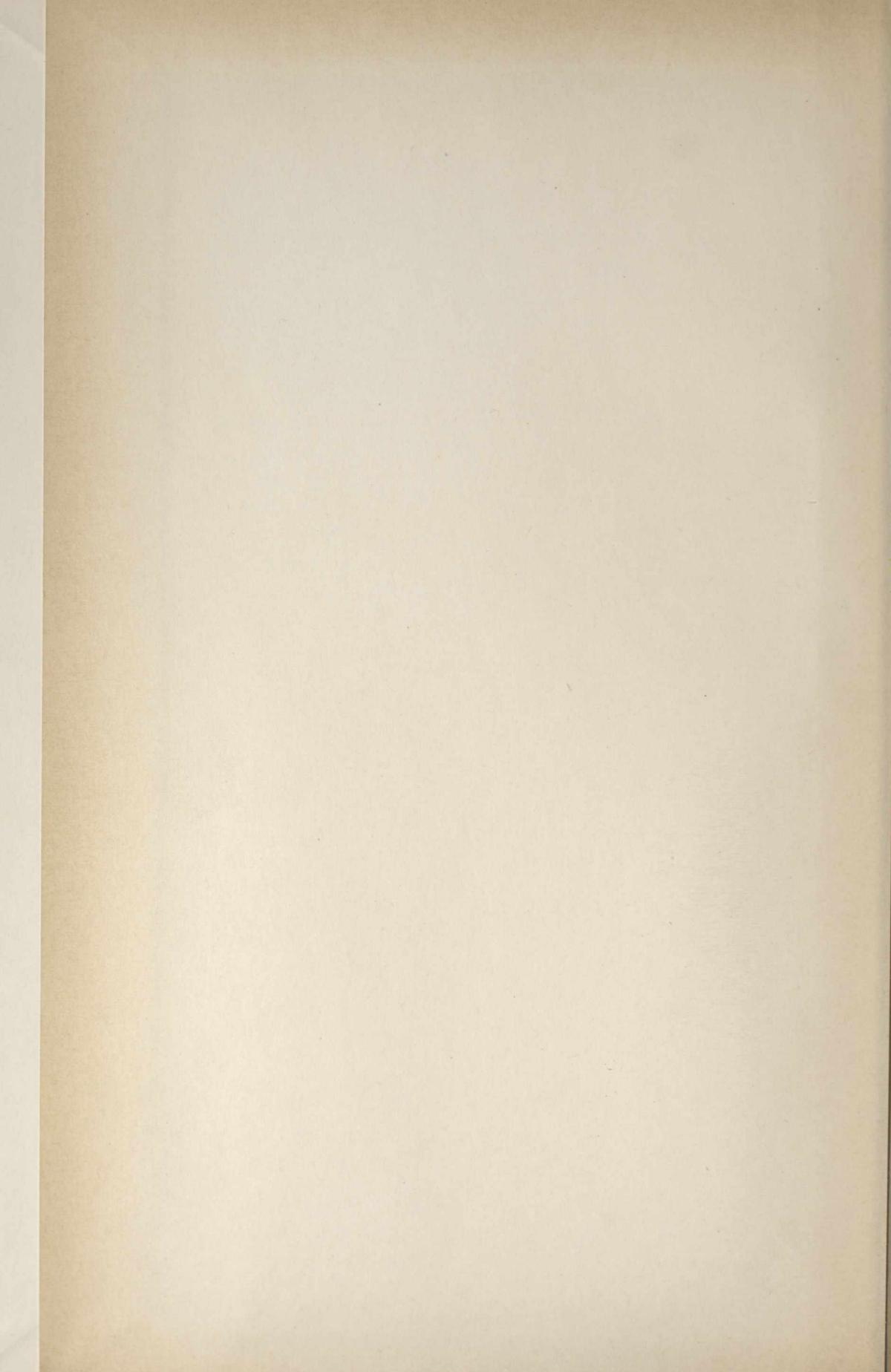


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THE SENATE OF CANADA



PROCEEDINGS

OF THE

STANDING COMMITTEE

ON

AGRICULTURE AND FORESTRY

*Re—Conditions of Agriculture Generally*

No. 1

The Honourable J. J. Donnelly, Chairman

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WITNESSES:

Dr. G. S. H. Barton, Deputy Minister of Agriculture, Ottawa, Ontario.

Mr. F. E. M. Robinson, Dairy Farmer, Upper Melbourne, Quebec.

OTTAWA  
J. O. PATENAUDE  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
1934

STANDING COMMITTEE ON AGRICULTURE AND FORESTRY

The Honourable J. J. DONNELLY, *Chairman.*

The Honourable Senators:

Bénard,  
Black,  
Buchanan,  
Burns,  
Donnelly,

Gillis,  
Horner,  
Little,  
McGuire,  
Pope,

Raymond,  
Riley,  
Sharpe,  
Sinclair,  
Smith.

## MINUTES OF EVIDENCE

THE SENATE,

WEDNESDAY, March 14, 1934.

The Standing Committee on Agriculture and Forestry met this day, in room 258, at 10.30 a.m.

Hon. Mr. Donnelly in the Chair.

The CHAIRMAN: Gentlemen, acting on your suggestion, after our last meeting, I interviewed the Deputy Minister of Agriculture, Dr. Barton, and he kindly arranged to attend here this day. I intimated to him that, judging by our discussion in committee, he would be expected to give us some information with regard to the restrictions to be placed on the number of cattle that may be exported to Great Britain; also information dealing with the wheat quota, and any other subjects that we may decide to investigate. No doubt members of the Committee will have questions to ask on various subjects. Is it the wish of the Committee that we now hear Dr. Barton?

Some Hon. MEMBERS: Yes.

The CHAIRMAN: We will leave it to you to begin in any way you prefer, Dr. Barton.

Dr. G. S. H. BARTON: Mr. Chairman, the first subject that you had on your memorandum was the disposal of the wheat surplus. Now, the problem there is one that I suppose no one can answer. Perhaps I should remind you that the Department of Agriculture does not deal with the actual marketing of wheat. It is considered, of course, in connection with the production of wheat and its uses in this country, particularly with reference to feeding. I think that copies of this pamphlet which I have here (referring to pamphlet entitled "The Agricultural Situation") have been sent to you.

Hon. Mr. RILEY: Yes.

Dr. BARTON: I would direct your attention to the statement there, which while brief is, I think, a very good summary of the wheat situation. The surplus in 1933 was 700 million bushels, for the four countries, of which Canada had 211.7 million bushels. This surplus was accounted for, of course, by the increase in production in all the important countries, including Europe. The statement is set out here in detail, and shows the requirements of this country to be 118 million bushels. There has been some revision of these figures since this statement was compiled, because the situation of course changes. Instead of 118 million bushels, the consumption in Canada last year was 107,676,155 bushels. Of this amount the human consumption was 43,095,155 bushels; seed, 32,277,000 bushels; feed—and this is, I think, an important item—22,996,000 bushels; and a couple of smaller items, loss in cleaning, and unmerchantable, making up the 107 million bushels.

As far as the prospect for this year is concerned, of course, we have a number of factors, including the big one of last year, drought, and one with which I am going to deal particularly, the second on your program, loss through grasshoppers. Also there is the possibility of some curtailment in production that may result from measures taken for control through seeding practice and so on.

Hon. Mr. SHARPE: Control of what?

Dr. BARTON: Control measures through culture, seeding and so on, that will probably restrict the actual crop seeded this year.

I have one thought in mind in regard to the wheat situation, which I pass out to you. It is to some extent closely related, I suppose, to the use that is made of wheat for feeding. I think that if the reserve of wheat were distributed more widely than it is among the farmers themselves, there would probably be some likelihood, and certainly more opportunity, of it being used for feed than when it is concentrated in large quantities at central points.

I am not a Western man, so my contact with Western conditions is limited. I spent two months there last summer, and visited the West on different occasions previous to that. I have made a number of contacts, personally and officially, and I have been struck, particularly this year, by the fact that people who have little or no crop have no reserve of any kind. Now, if not only wheat, but other grains were carried in some reserve on these farms, as is the practice to some extent in the East—and as you know, probably better than I do, it was the regular practice in olden times on our farms to carry a reserve of corn and grain, sometimes far in excess of the requirements for a single year—there would be a security, and it would allow of a flexibility that is not possible where people work on a year to year basis.

Hon. Mr. SHARPE: I read in the daily paper that cattle are dying around Brockville for want of feed and that the farmers cannot afford to buy it.

Dr. BARTON: There may be some extreme cases, but I would not suppose the condition was general.

Hon. Mr. SHARPE: What did you say was the amount of the crop last year?

Dr. BARTON: Our total crop last year was 269·7 million bushels; the carry-over was 207·11 million bushels.

Hon. Mr. SHARPE: Can you give us any idea how much of that crop of last year consisted of grade 3 wheat or better?

Dr. BARTON: I cannot give you the proportion of the grades.

Hon. Mr. SHARPE: What I had in mind was this. The No. 3 and better is what we call our contract wheat.

Dr. BARTON: Yes.

Hon. Mr. SHARPE: If some scheme could be worked out whereby everything lower than that grade could be used for feed, that wheat could be put into cattle and hogs and used to fill our quota of cattle and hogs to Great Britain. Then we would not have much more than the quota of wheat that we can send to Britain. We could turn the low grades into cattle and hogs and ship them over. Have you done anything along that line?

Dr. BARTON: I have not made any calculation as to the proportions, but I suppose it is to be expected that that is the type that is going into feed.

Hon. Mr. SHARPE: Have you done anything towards encouraging the farmer in that direction, and to bring up the quota of cattle and hogs?

Dr. BARTON: We are attempting that, I suppose one might say, from two angles, one being the improvement of the grade of wheat, and the other, of course, the encouragement to feed low grade wheat and the dissemination of information as to its value and the uses that can be made of it. Much work has been done and is being done in this direction.

Hon. Mr. RILEY: In the section of the country that I come from there was very little wheat below No. 3. Most of it was No. 1 and No. 2. Of course we had a very light crop by reason of the drought.

Dr. BARTON: Yes.

Hon. Mr. RILEY: And on top of the drought we had a severe frost which destroyed thousands of acres of wheat when it was in the blossom, and shortly

after it commenced to form. But in that district for several years there has been, particularly since the price of wheat dropped, a great deal fed to stock—cattle, sheep and hogs—and people who have used wheat claim that there is more feeding value in it than there is in oats and barley mixed.

Hon. Mr. SHARPE: Isn't wheat too strong for hogs?

Dr. BARTON: It has got to be fed in mixture to all classes of stock, but there is no question about the feeding value of wheat.

Hon. Mr. RILEY: Sheep do exceptionally well on wheat.

Hon. Mr. POPE: At present prices wheat that is fed to hogs is more valuable than it is in any other form.

Hon. Mr. SHARPE: The low grade wheats are just as good for feed purposes as the others.

Dr. BARTON: Yes, provided they are not damaged.

The CHAIRMAN: The quantity of wheat that can be used for feeding purposes depends on the price of coarse grains. At present prices wheat would be much cheaper than oats.

Hon. Mr. RILEY: What steps do you propose to take to reduce the quota of wheat?

Dr. BARTON: You mean the restriction of production?

Hon. Mr. RILEY: Yes.

Dr. BARTON: I am not in a position to say anything definite in regard to that.

Hon. Mr. SHARPE: No person knows anything about it yet.

Hon. Mr. HORNER: You have just been telling us of the lack of any reserve in western Canada. That certainly has been a big mistake. We were led into that practice by the elevator companies which encouraged farmers to put their wheat where it could be marketed at once and shipped to the head of the lakes. Some of it had to be shipped back. Had the policy of keeping a reserve been adopted the farmer would have been in a much better position in a year of crop failure.

Dr. BARTON: Yes.

Hon. Mr. HORNER: Some men are fattening cattle on nothing but wheat, so far as grain feed is concerned, and they are doing fine.

Hon. Mr. BURNS: There cannot be anything better than wheat and barley for cattle. Of course, you have to be careful to start them off easy. Wheat is also very good for sheep.

Hon. Mr. POPE: I fed a lot of hogs practically on all-wheat. When I sent them to a man by the name of Pat Burns, who lives down in a little town called Calgary, he asked, "Whose hogs are these?" He was told, "Pope's". He said, "It is the best carload ever shipped in here. I will give him a dollar a head more on the market."

Hon. Mr. BURNS: Wheat fed hogs give the sweetest pork. In our country we use all wheat and barley for cattle. Good clean screenings are just as satisfactory.

Hon. Mr. BUCHANAN: Can you tell us how much of the wheat surplus is high and how much low grade?

Dr. BARTON: There is a record of that, but, as I say, we have not very much to do with the details, so I have not the figures at hand. They are available.

Hon. Mr. SHARPE: In the Department of Trade and Commerce.

Dr. BARTON: Yes.

Hon. Mr. HORNER: The majority of the farmers in the West are opposed to acreage restriction, for the reason that when the acreage was restricted it might be a good season, and next year there might be a comparative crop failure. We see no harm in asking a man to keep his grain in his barn. Allow him to grow what he wishes, but restrict his delivery. As the grain accumulated on the farm some people think it would depress the world's price, but I do not think it would, because it is the grower's own business if he stores his grain for some time. For the first year the standing crop might be estimated, but as the years went by it would be difficult to tell what surplus remained in the granaries. I think the farmer should adopt the same practice as other men in business, and if anyone asked how much grain he had in his granary, tell him that that is his particular business.

Dr. BARTON: I think that is a common practice in France. It is very difficult there to tell what the so-called invisible supply of wheat is.

Hon. Mr. HORNER: It is the case of the farmer attending to his own business. Everybody has been estimating the wheat crop, and several times it has been estimated at several million bushels more than the actual yield.

Hon. Mr. RILEY: I think it would be a great mistake to make the restriction on acreage compulsory. It would not work out in practice.

Dr. BARTON: It would be extremely difficult to work out.

Hon. Mr. RILEY: As crops vary from year to year it would be impossible to form an accurate estimate of the yield, for in the western country we have so much to contend with in raising our wheat. For example, last year my yield on 40 acres of wheat was five bushels an acre; the year before it was 19 bushels. On the first of June there was promise of a better crop than the year before when, as I say, the yield was 19 bushels to the acre. If you restrict the number of bushels to be marketed, then a farmer could raise as much wheat as he wanted, and his surplus he could feed to his stock. A farmer can always get stock from the ranchers on an agreement basis if he has the feed. It has been demonstrated that there is no better feed for cattle than wheat. Of course, it might need some other grain mixed with it.

Dr. BARTON: Wheat is good feed for all classes of live stock.

Hon. Mr. RILEY: I think the restriction should be on the bushels of wheat marketed.

Hon. Mr. SINCLAIR: Has Dr. Barton prepared a statement on the cattle quota?

Dr. BARTON: I have a statement on cattle, but perhaps I may be allowed to take the grasshopper statement next, as it bears on the wheat situation.

I have a memorandum here. The present grasshopper outbreak, as you know, involves all of the three provinces. It began to be felt in each of the western provinces in 1930, although our service had been watching for it to begin from 1929. It reached serious proportions first in Manitoba in 1931. The areas involved in the outbreak expected in 1934 are as follows: Manitoba, 9,507,000 acres; Saskatchewan, 38,112,000 acres; Alberta, 22,785,000 acres.

Hon. Mr. BUCHANAN: Does that cover the southern part of each province?

Dr. BARTON: I have a map which I will pass around so you can see where the infestation is. There is some infestation in the whole area, but the very severe infestation includes 21,848,000 acres; in what we class as severe, 26,541,000 acres; in what we class as light, 22,000,000 acres. The total area of cropped land requiring organized control is estimated to be 20,255,000 acres. As I say, the degree of infestation varies. Eggs have been found present in fields to the number of 140,000 per square foot, the more usual number being from 50 to 200 per square foot. Severe infestation is where eggs run from 15 to 30 per square foot, and very severe is over 30 eggs per square foot.

In terms of loss, the average loss by provinces, including all crops attacked by grasshoppers, which is to be expected in 1934 if no control were undertaken, may be estimated approximately as follows: Manitoba, 25 per cent; Saskatchewan, 60 per cent; Alberta, 40 per cent. With the control campaigns projected for the year we expect to reduce this loss to well below 10 per cent.

Hon. Mr. RILEY: Is that 40 per cent of the entire acreage?

Dr. BARTON: Of the crop.

The CHAIRMAN: Of the total crops of the provinces or only of the infested areas?

Dr. BARTON: The total crops of the provinces.

Hon. Mr. BURNS: That would be 40 per cent?

Dr. BARTON: On the basis of acreage.

Hon. Mr. BUCHANAN: You mean it is the area infested by grasshoppers?

Dr. BARTON: This year, if no control measure were taken at all, that is the estimated loss which might accrue. But with control measures it is hoped to reduce this loss well below 10 per cent. That is problematical, of course.

Hon. Mr. BURNS: How would the grasshopper situation affect the cattle and sheep?

Dr. BARTON: That includes all crops, of course,—not only wheat but other grains, and pasture.

Now, with regard to organization, all three provinces are well organized this year. For example, Saskatchewan is thoroughly organized for a complete campaign. There are on hand there 180,000 gallons of sodium arsenite, that is 100 tank cars of it; 900 cars of bran, and 1,200 cars of sawdust; and it was reported that by the 1st of March, 1,200 local committees had been formed.

Now we come to the method of control. The cultural practices essential to control in a large scale outbreak like the present one are as follows:

(a) Early seeding. That is to advance the growth as far as possible before the attack begins.

(b) Seeding fallow land or stubble only after ploughing. The bulk of the eggs are laid in stubble land. The object of the ploughing is to bury the eggs and to kill the young hoppers hatching from them.

(c) Ploughing guard strips around stubble to be fallowed. This is to provide a place upon which to poison the hoppers coming from the old stubble.

(d) Ploughing stubble, in summer fallowing, in strips and poisoning the grasshoppers on the strips. This crowds the grasshoppers on to the unploughed part, where they should be poisoned.

(e) Killing eggs in infested land by very early and very shallow cultivation, that is by exposing the eggs to sun and wind, which kills them.

Now, if these cultural practices are followed, as it is expected they will be in large measure, they should have some effect in restricting the area of land that will be cropped.

The backbone of the control, however, which is essential upon every threatened acre is the poisoning of the grasshoppers in the young stages, with poisoned bran bait made up of the following ingredients: 50 pounds of bran 50 pounds of sawdust, one quart of sodium arsenite, and ten to twelve gallons of water. This is to be scattered broadcast by hand wherever the hoppers are present in numbers, preferably in the early part of the day when the sun is shining and when the temperature is not below 68 degrees fahrenheit and not above 85 degrees fahrenheit, these being the temperatures between which the grasshoppers feed. The application and the distribution of the bait really determines the use that the grasshoppers will make of it. A lot of mistakes have been made where organization was not as thorough as it should have been in that regard, and consequently there has been much wastage and lack of results.

Hon. Mr. BUCHANAN: Are there any weather conditions that might arise and help to destroy the grasshoppers?

Dr. BARTON: Yes. I shall be coming to that shortly, sir. First may I refer to the estimated cost of control for 1934? It is as follows: Manitoba, \$95,000; Saskatchewan, \$500,000 and Alberta, \$125,000, a total of \$720,000. That looks like a lot of money. But at a conference held in the United States, attended by Canadian representatives, a recommendation was made that the sum of \$2,000,000 be requested for coping with the grasshopper situation in the United States. So far as I can learn their territory is no more extensive than ours, if it is as extensive, but we feel that we are perhaps a little better organized than they and therefore can do the work for relatively less money.

The CHAIRMAN: Who bears the cost of the control?

Dr. BARTON: The province pays for the bait, and the municipalities arrange for the mixing of the bait. The federal service, through the Entomological Branch and also through the Experimental Farm Branch, provides a staff for organizing, directing, and working with the provincial people. The cost of the campaign in 1933 was \$95,000, of which sum \$60,000 was paid by the province and \$35,000 by the municipalities. The estimated savings were 34,800,000 bushels of all grains, with an estimated value of \$15,944,750.

Answering the question of Senator Buchanan, I will now refer to the relation between the weather and grasshopper outbreaks. These outbreaks usually take place after a series of dry, warm years. The interplay is about like this. A warm season is usually a dry one. The warm season allows the eggs to hatch early and the young hoppers to develop very rapidly and reach maturity early in July. As a great proportion of the grasshoppers live till the first frosts, the early maturity gives a prolonged period for egg laying. As a consequence, the grasshoppers are enabled in a warm dry summer to lay several times as many eggs as in a year when the weather is cool and the periods of activity are curtailed by cloudy or rainy weather. In addition, the fact should be recognized that moist weather is favourable to the development of fungus diseases of grasshoppers which may, if conditions are suitable for their development, completely sweep off the grasshopper population upon very large areas, hundreds of square miles.

Grasshoppers are normally held in check by natural conditions. In the ordinary year the interplay of warm and cool weather, sunshine and rain, disease, parasites and predators prevents them from becoming abundant enough to injure crops seriously. However, a dry warm year or two allows the grasshoppers to increase rapidly and out-strip the various factors tending to keep them down, and if the dry period continues as during the last five years, a prolonged destructive wide spread outbreak results.

As a rule the outbreaks would eventually be terminated by nature. Some times it is simply weather, the dry warm years being followed by a cool year or two. On other occasions it has been a warm but moist year which has so promoted fungus diseases that the grasshoppers as virtually to bring the outbreak to an end. In others, where the weather was more or less normal and not definitely promoting grasshopper increase, the natural insect parasites normally present and attacking the grasshoppers simply increased to a point where they reduced the grasshoppers to a status below outbreak numbers. As a rule all factors operate together to some extent, and eventually bring about a reduction of numbers below the point of economic importance. This process, however, may take one, two or three years, and meanwhile several crops may be ruined. Hence the necessity of protecting the crop by what look like expensive campaigns. The protection of the crop is so easily possible and the benefits of control effort so direct and profitable that popular support for the work in any locality where an outbreak is threatened or in existence is virtually unanimous.

Grasshopper eggs are very resistant to cold and other weather conditions, and once the eggs are laid there is every assurance of a very large proportion of them hatching.

Drenching rains when grasshoppers are small often drown very large numbers of them; but this is of such rare occurrence and takes place upon so restricted an area that it holds out no material hope of seriously reducing the menace to the crop in the West in 1934.

There is virtually no hope of natural control factors materially reducing the number of grasshoppers in 1934 before the crop is ready to harvest, and before the full damage for the season has been effected.

Hon. Mr. SHARPE: A cold, wet spring would not do us much good, then?

Dr. BARTON: It would delay hatching.

Hon. Mr. BURNS: If it happened to be a very wet season it would kill them off, wouldn't it?

Dr. BARTON: If, coupled with that, you had warm enough weather to promote fungus growth.

Hon. Mr. HORNER: What about the grasshoppers that are hatching out in the middle of February? Would they survive?

Dr. BARTON: There are some, I believe, but they are not of much consequence.

Hon. Mr. HORNER: They would not survive to do any damage next summer.

Dr. BARTON: Not with the weather we have had here.

Hon. Mr. HORNER: You can freeze them and they come to life.

Hon. Mr. McGUIRE: What effect has the distribution of poison on bird life? Has it any?

Dr. BARTON: Not so far as I know.

Hon. Mr. McGUIRE: That means that they do not eat it?

Dr. BARTON: It would depend to some extent, I suppose, on how it is distributed. It should be distributed very lightly.

Hon. Mr. RILEY: A good many years ago we had a plague of grasshoppers in the High River district. They destroyed pretty nearly all the crop except the wheat. There was nothing left of the wheat except the naked stalk and the head, but the quality of the wheat, and possibly the yield did not seem to be injured. All the other crops were eaten up, even the wild hay. There was nothing left but the big coarse stem. That year the farmers poisoned, and the next year there were no grasshoppers. It was a wet season, and they all disappeared. We had had them for two years, and the second year they were very bad. We first used bran, which was supplied by the Government at mixing stations scattered all around. Those stations could not mix the bait as fast as it was needed, so the farmers mixed it themselves. Then the bran played out, and we used sawdust, and we found it just as effective as bran. We bought molasses by the barrel, and put it with water, and sweetened the sawdust with the solution.

Dr. BARTON: They used to use other materials, such as lemon, too; but as a result of investigation they found they were not necessary.

Hon. Mr. BURNS: I think it was probably the same year that we had grasshoppers, and we used to say they ate the grass at night and came out to eat the grain in the day. We used to put straw around the side of the grass, and mix it with poisoned bran, and in the evening when the grasshoppers would go in there we would set fire to the straw.

Dr. BARTON: I will show you the maps you asked for of the territories affected.

Hon. Mr. HORNER: With your lower area do you think you can control the grasshoppers? I think they will clean the crop anyway.

Dr. BARTON: It will be a hard battle, but we think we can save a large proportion of the crop.

Now, the darker shading on this map, with the checking, shows the severe area. This is a map of the three provinces. You will notice that there is a big area in Saskatchewan.

Hon. Mr. RILEY: That is the southern part.

Dr. BARTON: Yes. There is Alberta, which conducted a very good campaign last year, and here is Manitoba which has narrowed the very severe area very considerably.

Hon. Mr. SHARPE: Will the grasshoppers migrate from one province to another?

Dr. BARTON: Yes. There is a migrating type of grasshopper which is very difficult to deal with.

Now, here is a map of Saskatchewan. The dark red shows the area.

Hon. Mr. RILEY: Are these townships that are shown?

Dr. BARTON: Yes. Here is Manitoba.

Hon. Mr. RILEY: Where is the Alberta map?

Dr. BARTON: Alberta is shown in the large map. We haven't got a separate map of Alberta.

Hon. Mr. BUCHANAN: I read somewhere that the type of grasshopper this year was different. I think it was in Montana.

Dr. BARTON: We have three bad types.

Hon. Mr. BUCHANAN: Is the worst type more in evidence this year than it has been at other times?

Dr. BARTON: I would not say that. The three types are all numerous. There are many more types than these.

Hon. Mr. RILEY: You have the flying type?

Dr. BARTON: Yes, that is one of the three. I saw them in clouds in Saskatchewan.

Hon. Mr. RILEY: We didn't have any of them in our country.

Hon. Mr. SHARPE: We had them in Manitoba.

Hon. Mr. BUCHANAN: The grasshoppers that are in evidence in mild weather were very much in evidence in Alberta. When were they hatched?

Hon. Mr. RILEY: Were they really grasshoppers?

Hon. Mr. BUCHANAN: Oh, yes. We took them over to the government official, but he said they were not related to the eggs deposited last fall.

Hon. Mr. McGUIRE: Apart from destruction of grasshoppers, do you know of any insects that are parasites on them?

Dr. BARTON: Yes, there are parasites. Some have been distributed in the West. There is some evidence of progress in this direction in Alberta.

Hon. Mr. McGUIRE: No doubt the parasite would be greatly increased because of the great increase of the grasshopper.

Dr. BARTON: Yes.

Hon. Mr. McGUIRE: Have you any hope that in that way the grasshopper plague may be controlled?

Dr. BARTON: It seems to be slow. Our people are not as hopeful of the parasites as they are of a combination of other conditions.

The CHAIRMAN: Have we disposed of the grasshopper problem?

Hon. Mr. SHARPE: I hope so, Mr. Chairman.

Hon. Mr. SINCLAIR: Your organization is complete for the coming year?

Dr. BARTON: Yes, we have never been so well organized as for the coming year.

Hon. Mr. SINCLAIR: Is the work directed by the federal Government?

Dr. BARTON: The provinces assume responsibility for the organization and direction of the work, but our staff fit into that organization. They, of course, supply the technical guidance, they also make these surveys of infestation, and they are doing investigation work.

Hon. Mr. BURNS: I suppose in Alberta we would get our information from the municipality?

Dr. BARTON: Yes, and through the local committee.

Hon. Mr. SINCLAIR: Is \$700,000 or \$800,000 the only expenditure that you are making?

Dr. BARTON: That is the whole expenditure.

Hon. Mr. SINCLAIR: Part by the province and part by the municipality?

Dr. BARTON: Yes.

Hon. Mr. SMITH: The total cost you gave us is for material?

Dr. BARTON: Largely for material.

Hon. Mr. SMITH: Does it include labour?

Dr. BARTON: Any labour that might be employed specially for the purpose.

Hon. Mr. BURNS: The farmers themselves do the work for nothing, such as hauling the sawdust and other material. I noticed them doing it last year.

Hon. Mr. SHARPE: They look after their own farms.

Dr. BARTON: They distribute the materials.

Hon. Mr. SINCLAIR: The distribution is under the direction of the province?

Dr. BARTON: Yes.

Hon. Mr. HORNER: I have heard from the University of Saskatoon that alarm was being felt that they would be late in getting started on the grasshopper prevention work unless they were able to secure the necessary money.

Dr. BARTON: My understanding is that the Dominion will supply the money.

Hon. Mr. HORNER: It has already been done?

Dr. BARTON: So far as I know.

Hon. Mr. SHARPE: For all three provinces, or for Saskatchewan only?

Dr. BARTON: For all three, I understand.

The CHAIRMAN: Dr. Barton, will you now take up the next phase?

Dr. BARTON: With regard to the cattle situation, Mr. Chairman, I think you mentioned the export quota.

The CHAIRMAN: Yes.

Dr. BARTON: I have a very brief picture here of the cattle export situation. For the first three months of 1934—that is this year—on the basis of 1933, because that is the basis, the quota was 6,864 head; then for the first six months it was extended to 20,200. These figures represent the actual importations of cattle into the Old Country during that period of 1933. Our quota is based on that figure.

Hon. Mr. BURNS: How much?

Dr. BARTON: It is 20,200.

Hon. Mr. BURNS: For the full year?

Dr. BARTON: For the first six months. That is our quota. That represents the number of cattle actually imported.

Hon. Mr. RILEY: The number exported to Great Britain last year?

Dr. BARTON: Yes. Up to March 7th, for this year which includes two weeks in December, because cattle shipped in the latter part of December arrived there in January, a period of eleven weeks, our figures are 10,300. Of this number 443 were sunk with the Concordia. For the 15 weeks remaining to June 20th, because after that the arrivals will be in the next six months, we have 11,900 left.

The CHAIRMAN: How much does the quantity shipped in the first eleven weeks you refer to compare with the first eleven weeks of 1933?

Dr. BARTON: Have we got the first eleven weeks' period separate, Mr. Light? For the first three months it was 6,864.

Mr. LIGHT: It would be somewhere in the neighbourhood of 4,000 odd for the first eleven weeks.

Hon. Mr. SINCLAIR: You have eleven thousand available for the remainder of the six months?

Dr. BARTON: Yes.

Hon. Mr. SINCLAIR: How many were shipped during that period last year from March to June?

Dr. BARTON: Our dates do not quite jibe here on that basis.

Hon. Mr. SINCLAIR: In other words, how many are available on the quota now to the end of June?

Dr. BARTON: There are 11,900 still available.

Hon. Mr. SINCLAIR: How many did you ship last year in that period?

Dr. BARTON: It would be the difference, I suppose between 10,300 and 6,864, plus the 11,900, which would be roughly 15,000.

Hon. Mr. SMITH: Is our quota this year restricted to the same number as last year?

Dr. BARTON: That is the basis.

Hon. Mr. RILEY: For the first six months.

Dr. BARTON: Yes.

Hon. Mr. POPE: Does that mean cows and everything else?

Dr. BARTON: Yes.

Hon. Mr. RILEY: From information that you have would you say that that quota is likely to be filled?

Dr. BARTON: Yes, it is. The only thing we have to go on, of course, is the shipping space which has been taken. And that is not always used after it is taken. But there is more than enough space taken now to fill the quota.

Hon. Mr. RILEY: Is the space always paid for if it is not used?

Dr. BARTON: I cannot say as to that.

Hon. Mr. RILEY: Perhaps Senator Burns may be able to answer that.

Hon. Mr. BURNS: I know we always have to pay for space when we buy it, whether we fill it or not, but we always have filled it.

Dr. BARTON: It works the other way too. Some times boats do not sail at all and there is a reduction of space in that way.

The CHAIRMAN: Dr. Barton, I gather from the information you have given us that the quota is likely to restrict the exporting of a number of cattle that will be available for export before the six months are up.

Dr. BARTON: I cannot be sure of that.

The CHAIRMAN: That is the indication, I should say.

HON. MR. BURNS: No, I should say not, Mr. Chairman. If they have 11,000 to put in yet before the 1st of June, it is going to take them all the time to get the cattle. You see, there are not so many cattle this year.

HON. MR. RILEY: I think Senator Burns is right.

HON. MR. BURNS: The people who have the space will be worrying a bit now about how they are going to fill it. The feed has been very scarce.

DR. BARTON: It is possible, of course, that there was some tendency to ship earlier because of the restriction.

HON. MR. SINCLAIR: Dr. Barton, what is the method of control that you exercise on exporting?

DR. BARTON: There is no method of control or machinery developed for it in our department at present.

HON. MR. HORNER: Is there a possibility, then, that the quota may be filled and a man may take space and make a shipment of cattle which would be refused over there?

DR. BARTON: Well, I suppose there is a possibility of that. But if we shipped more cattle than our quota provided for, it might be that the same thing would happen as has happened in the adjustment of the quota previously, namely, that our surplus would be carried over for application on our next quota, should there be one.

THE CHAIRMAN: Has it not been a request to limit shipments, rather than an enactment?

DR. BARTON: Yes, it has been a request.

HON. MR. HORNER: In any case, it was an estimate, with the possibility that they might take a larger amount than the quota?

DR. BARTON: It was based clearly on the importations of last year. For the first nine months of last year the importations were 35,996, and for the twelve months, 51,433.

HON. MR. HORNER: Of course, that is a much larger average than has been going across for the past ten years.

DR. BARTON: Oh, yes.

HON. MR. POPE: Do they want any feeders?

DR. BARTON: Well, they take them at times, of course.

HON. MR. SINCLAIR: There is no information as to any change in the quota for the last half year, is there?

DR. BARTON: No, we have no information.

THE CHAIRMAN: I suppose the quota for the last half year is likely to depend upon the price that the English cattle producer is getting for his cattle. I understand the object of the quota was to ensure that the English producer would get a fair price.

HON. MR. SINCLAIR: Have you any information about the Irish cattle situation, Dr. Barton?

DR. BARTON: I do not know that we have any recent information. The tendency has been for the numbers to decrease from year to year.

HON. MR. BURNS: They used to put out from 800,000 to a million Irish cattle a year.

DR. BARTON: I have here a copy of a statement that was made in the British House of Commons on December 20, 1933, dealing with the importation of cattle for immediate slaughter. It says:—

At present, such cattle are imported into the United Kingdom from two sources only, namely, the Irish Free State and Canada. As

regards the Irish Free State, an Order will be issued forthwith under the Agricultural Marketing Act, 1933, under which it is intended to limit the imports of fat cattle from the Irish Free State from now to the 31st March next to 50 per cent of the numbers imported in the corresponding period of 1932-33. As a complementary measure, it is also intended under the Order to limit the number of stores that may be imported from the Irish Free State. In terms of total cattle imports from that source, the reduction will be in the neighbourhood of 12½ per cent. The Order, also as a complementary measure, will prohibit the importation of beef and veal and beef and veal offals from the Irish Free State. (Imports into the United Kingdom from the Irish Free State in the three months January to March, 1933, were 46,148 head of fat cattle, 75,267 head of store cattle, and 895 hundredweight of fresh beef.)

Hon. Mr. BURNS: I did not think they shipped dressed beef at all.

Dr. BARTON: Yes, they do.

Hon. Mr. BURNS: The cattle that we ship at present do not amount to a drop in the bucket, as far as Great Britain is concerned. Suppose we shipped forty, fifty or sixty, thousand, it would not be enough to supply them for one day.

Dr. BARTON: It seems like a mere bagatelle.

Hon. Mr. BURNS: It would not be enough to supply the needs of about 45 million people for three meals. The same thing is true with regard to United States. Suppose we shipped 100,000 head there, that would not be enough to supply that country with one meal.

Hon. Mr. McGUIRE: Are they not importing live cattle from the Argentine now?

Dr. BARTON: No.

Hon. Mr. McGUIRE: The importations are from Ireland and from Canada only?

Dr. BARTON: Yes.

Hon. Mr. McGUIRE: And they are reducing the Irish importations by twelve and a half per cent. Is there any suggestion of increasing the importations from Canada correspondingly?

Dr. BARTON: No, not that I know of.

Hon. Mr. BURNS: It is the dressed meat that comes in from the other countries.

Dr. BARTON: The Argentine is the big competitor.

Hon. Mr. RILEY: The purpose of these restrictions is to raise the prices to their own producers?

Dr. BARTON: Yes.

Hon. Mr. HORNER: Have they taken meat from Australia?

Dr. BARTON: Yes.

Hon. Mr. HORNER: Mutton. Any live cattle?

Dr. BARTON: No.

Hon. Mr. BURNS: Do you keep track of the amount of corned beef that comes in here from the United States and other countries?

Dr. BARTON: Yes.

Hon. Mr. BURNS: The corned beef that comes in here amounts to about 40,000 or 50,000 cattle a year.

Dr. BARTON: It is quite an item, from the Argentine and from Australia.

Hon. Mr. HORNER: Is there any plant in Canada to-day putting up tinned beef?

Hon. Mr. BURNS: No. Two or three plants started, but they couldn't make it go. The product is brought in cheaper from other countries; it comes in at about six cents a pound. When a beast that weighs 500 pounds is put in cans—boiled down and the bones taken out—it weighs only about 160 or 170 pounds.

Hon. Mr. RILEY: The Australian canned beef was always of superior quality. That is why the people here preferred it.

The CHAIRMAN: Are there any further questions?

Hon. Mr. BURNS: We poor fellows in the West would like to hear of some way of raising the price of cattle. Otherwise I don't know what we are going to do.

The CHAIRMAN: We would all appreciate a rise in the price of cattle.

Hon. Mr. HORNER: Do you not think it would be possible for someone here to supply that canned beef? We in the West are ideally situated to raise great numbers of cattle, and if we could secure that market for 40,000 or 50,000 head that are now coming in in cans it would help the breeders of cattle, and the canning would give employment to many people. Furthermore, the class of cattle that would be used for that purpose now injures the market for the good cattle.

Hon. Mr. POPE: Have you any figures as to the export of bacon and hogs last year?

Dr. BARTON: Yes. Our export of bacon last year amounted to 71,524,700 pounds. The previous year it amounted to 30,663,400 pounds.

Hon. Mr. POPE: It was doubled last year. How far can we go in that direction?

Dr. BARTON: We have been asked to estimate our output for this year. It is a very difficult thing to do. There are many uncertain factors involved. But there is a great interest in hog production now.

Hon. Mr. HORNER: How much more than we were able to supply would the market have taken?

Dr. BARTON: Four times as much.

Hon. Mr. HORNER: The position of the man who feeds hogs is not like that of the manufacturer of any commodity. The man in any other business knows what he is going to get, and can finance accordingly, but the man who raises hogs cannot do that. It is very important that a hog should be marketed when he weighs not more than 230 pounds. When you come to sell the market may be down one cent. That one cent means your entire profit is gone. I had any amount of grain last year worth 40 cents a bushel, but I could not go to my banker and say, "I am going into hogs on a large scale, I have so many bushels of grain for feed, and I require an advance." The banker knows my ability as a feeder, but because I have no idea what I shall receive for those hogs in the fall he cannot finance me. Hog raising is in a different position from any other business. I can sell grain for next October delivery before I seed it, if I wish, but hail, frost and grasshoppers might take that crop, and I might be caught; but if I have the feed on hand I would be able to deliver my hogs at the end of a certain period. If we could get the business on a contract basis we should have something definite to work on.

Dr. BARTON: You are dealing with a perishable product in the case of hogs.

Hon. Mr. HORNER: Not as perishable as bacon.

Dr. BARTON: But it is more perishable as compared with wheat.

Hon. Mr. HORNER: I mean as live stock, not as bacon?

Hon. Mr. RILEY: There must be some stablization of the market before farmers will again go into the raising of hogs.

Hon. Mr. HORNER: We need certainty of price. If a farmer takes a loss on wheat, he is over and done with it; but feeding stock at a loss is one of the hardest things in the world to persuade a farmer to repeat.

Hon. Mr. BURNS: If you could only assure a price of five cents a pound at point of shipment there would be no trouble, and a lot of money would be left in the country. I think our own company to-day is paying \$4,000,000 a month more than they were a year ago for hogs. A year ago we were paying two and a half cents a pound; to-day we are paying eight and nine cents a pound. Take Alberta and Saskatchewan, I would say that there would be a difference of between \$10,000,000 and \$15,000,000 in the price paid for hogs to-day as compared with a year ago. I think five cents is low, but if six cents could be assured Saskatchewan and Alberta would forget their hard times in a month.

Dr. BARTON: One organization in the West, I believe, has guaranteed a minimum price of five cents for three years.

Hon. Mr. BURNS: Then there will be a large number of hogs raised.

Hon. Mr. RILEY: Farmers I have talked with tell me they are through raising hogs. They say, "What guarantee have we got that when the next batch of hogs is ready for market the price won't be the same as it was a year ago, two and a half cents?" Until there is stabilization of the market they are not going to raise hogs, and you will not fill your quota of 280,000,000 pounds.

Dr. BARTON: Hogs multiply quickly. Price is the great incentive, and very often it means the undoing of the market. As you say, it is impossible to predict prices, but we are situated a little differently than we were. The explanation of the high price to-day is the action which the British authorities have taken through their quota regulation to raise the price to their own hog producers. Now the question is whether or not they can maintain it. But they have been able to raise the price, and we have an assured place in that market, whatever it is, to the extent of 280,000,000 pounds for some time to come.

Hon. Mr. BURNS: The farmers would soon clear off their mortgages if they could get a price like that.

Dr. BARTON: We are anticipating a substantial increase this year, but it is impossible to say what it will be. There are other factors, for instance, the consumption here. We are exporting now more bacon than we did last year; at the same time our hog production figures are lower. We have estimates of a decreased hog production last fall. That means that a larger proportion of our manufactured bacon is going to the Old Country than was the case last year. As the price goes up consumption here goes down. It is the same with beef: people are eating more of the lower price beef, and there is some movement in the price of cattle. There are some sales of six cents, which is at least a hopeful indication. All these things are interlocked, one reacts on the other.

Hon. Mr. RILEY: Dr. Barton, our export price governs the price at home?

Dr. BARTON: It certainly does in large measure, and it is doing so now, but our consumption at home will react on the price.

Hon. Mr. RILEY: Is it true that at the present price of bacon live hogs should not fetch over four and a half cents?

Dr. BARTON: At the present price of bacon in the Old Country?

Hon. Mr. RILEY: Yes.

Dr. BARTON: The relationship?

Hon. Mr. RILEY: Yes.

Dr. BARTON: No, I should say it is not true.

Hon. Mr. BURNS: They are paying eight cents for hogs.

Hon. Mr. RILEY: I know, but I have heard it said that our hogs here should not sell for more than four and a half cents a pound if the Old Country market governs the price.

Dr. BARTON: I would say our price at the present time is definitely related to the Old Country market.

Hon. Mr. BURNS: If the price went up to not over six cents a pound, then conditions would improve in the West.

Hon. Mr. SHARPE: You mean British breeders control this market?

Dr. BARTON: Yes, certainly, Great Britain is buying less bacon from Denmark and Germany, and other countries.

Hon. Mr. RILEY: We cannot dictate the policy of the Old Country.

Hon. Mr. BURNS: No, but they can in Europe.

Hon. Mr. HORNER: The grading of hogs was intended to help the producer, but it has helped the packers.

The CHAIRMAN: The grading of our hogs has greatly improved the quality on the market.

Hon. Mr. SHARPE: I think Senator Horner is absolutely right.

Hon. Mr. BURNS: Oh, no, he is not. That is one of the best things the Government ever did for the farmers. They come in with their hogs, and the Government men set the grade.

Hon. Mr. HORNER: Who sets the price?

Hon. Mr. BURNS: The packers.

Dr. BARTON: I think this is a fair statement to make: the grading system has been one of the big factors in the improvement of the hogs in this country. If we did not have the hogs as we have them now, our position in the Old Country would be seriously jeopardized.

Hon. Mr. BURNS: There would be a greater improvement in hogs if the farmers were assured of a market. I must say that the Government is doing a lot to help the farmers get the right kind of hogs.

Dr. BARTON: We think that hogs are improving in quality very rapidly at the present time.

Hon. Mr. BUCHANAN: What type of hog is required in England for the best bacon?

Dr. BARTON: Well, the Yorkshire hog is the hog that we are pinning our faith to here.

Hon. Mr. BUCHANAN: But what do they look for in the British market?

Dr. BARTON: Well, the Wiltshire bacon, and that calls for a certain type of hog. It demands length, and a hog that will finish a certain amount of fat at a good weight, and with the loin and ham of such a type and conformation as will dress up with a minimum amount of waste.

Hon. Mr. BUCHANAN: To what extent are we able to meet that demand at the present time?

Dr. BARTON: In Eastern Canada, in Ontario, a large percentage of our hogs will meet that demand. In the West we are in a transition stage just now, but the condition is improving very rapidly and there will be a big improvement this year. We have got practically one breed accepted throughout Canada, the Yorkshire. I think that in the West they will have problems with regard to what I call hog practice, because the type is one thing and the development of the pig is another. There are people in the West who are producing first

class bacon hogs, but the practice is one that calls for a certain amount of skill and technique. The average man in the West, accustomed to doing things on a large scale, is going to have his difficulties, even with the right type of hog, until he develops a practice that will mature those hogs at the right weight, at a certain age.

Hon. Mr. SMITH: What is being done, Dr. Barton, to inform the public in the West?

Dr. BARTON: A great deal is being done. The provincial departments and our department are very active in this work. Contact is made with the farmers in every way possible, and of course they now have a very good conception of what is required.

Hon. Mr. SMITH: I understood you to say they were not familiar with the best practice.

Dr. BARTON: Well, that can only be overcome by a process of education. My thought, after going through the West, is that they have problems out there calling for examination and study.

Hon. Mr. HORNER: It is more expensive to raise the proper type of hog. You must keep them nearly a month longer, for one thing. In Montreal they will take a hog for bacon at 250 pounds, but out in Saskatchewan they are more strict. If a hog weighs 231 pounds you lose a cent and a half. I took a truck load of hogs down and they were a little heavy, so I had them run around a bit and then reweighed, and I got a cent and a half per pound more. I am speaking now of good bacon hogs that are a little heavy.

Hon. Mr. RILEY: It is not good to let these selects have very much exercise?

Dr. BARTON: I would not say that. It depends upon how they are cared for. You can certainly pasture hogs and produce good bacon. Most of our hogs in the East are pen fed, but they do produce hogs in the East under pasture conditions.

The CHAIRMAN: I think exercise does them good.

Hon. Mr. SINCLAIR: If we are through with the question of hogs, I should like to ask a few more questions from Dr. Barton with regard to cattle.

The CHAIRMAN: We have had Dr. Barton on the witness stand for an hour and a half now. We must not ask too much of him, but if he cares to continue, all right.

Hon. Mr. SINCLAIR: Have you any information, Dr. Barton, regarding the number of feeders that are taken from the West and finished in the Eastern part of Canada?

Dr. BARTON: I cannot give the actual number, but I know it is a way down this year as compared with last year.

Hon. Mr. POPE: There has been a lack of feed, a short hay crop.

Dr. BARTON: Yes, and possibly a lack of money.

Hon. Mr. SINCLAIR: Has it been profitable?

Dr. BARTON: I should say it has been profitable in the past. Of course, it is one of those hazardous ventures.

Hon. Mr. SINCLAIR: Is it a practice that should be encouraged?

Dr. BARTON: I think it is.

Hon. Mr. SINCLAIR: What is possible in the way of encouragement?

Dr. BARTON: Well, one thing we have done this year that we think might mean some encouragement, is the securing of a concession in railway rates on cattle for export, from eastern feeders to the port.

Hon. Mr. SINCLAIR: It would be a benefit to central Canada feeders more than to the Maritimes.

Dr. BARTON: Directly; but I believe that anything which facilitates the movement of cattle from the West to the East, and to the Old Country, is in the interest of the cattle business as a whole.

Hon. Mr. RILEY: Is that rate on feeders in operation now?

Dr. BARTON: It is to come into effect in April this year. I am not positive of the date at the moment.

Hon. Mr. HORNER: Was there not an arrangement made about two years ago, that a person could get the through rate and be allowed to stop off and feed the cattle, yet be charged only the same rate as if he shipped right through from Calgary to the Maritimes?

Dr. BARTON: I do not think so. There was an arrangement somewhat similar to the one we have now, but it was on a rebate basis and did not work out very well. This is a straight cut in the rate.

Hon. Mr. SINCLAIR: If the feeding farm is in a disease free area—

Dr. BARTON: I am glad you mentioned that. That is another thing we dealt with. We realized that in some cases there was a hardship imposed on people bringing cattle East to feed in an area free from tuberculosis or under control. We made an arrangement whereby the cattle could be shipped to destination and tested there. Of course they have to be kept separate from other cattle.

Hon. Mr. SINCLAIR: Is there any cost to the farmer?

Dr. BARTON: No, but he does not get any compensation for loss. One factor is the transportation; another factor is the feed cost. I think we ought to do everything we can to facilitate the movement of surplus coarse grain from the West to the East. It seems to me that there will be a large production of coarse grains in the West which could be shipped to the East; but the cost of getting it here is too high.

Hon. Mr. SINCLAIR: For many years we have had sufficient feed in the Maritimes to take care of that.

Dr. BARTON: Yes, and I think you could develop some cattle feeding down there.

Hon. Mr. SINCLAIR: The reduction of the rate to the port means very little to us, the distance is so short.

Dr. BARTON: It is quite a consideration even in the East.

Hon. Mr. BURNS: With so much grain in the West it would be foolish to ship cattle some place else to feed.

Hon. Mr. SINCLAIR: It is not possible for the small eastern farmer to produce cattle and finish it for the British market; but if he can buy young cattle he can ship with a smaller degree of shrinkage.

Hon. Mr. RILEY: I think it is more profitable to finish in Ontario, Quebec, or the lower provinces than to finish in the West, because it is the last hundred pounds you put on a steer that puts the bloom on him. When you ship him to Montreal for export the bloom is gone, whereas if you put the bloom on him down here it still remains when he gets over there.

Hon. Mr. BURNS: I do not agree with that. The thing to do is to feed the cattle where they are, and feed them well. During the three or four days or the week that they are on their way to Montreal they will shrink, say, ten per cent, but they will recover half of that in the yards, and the remainder on the boat.

Hon. Mr. RILEY: But you have to put that hundred pounds on them twice.

Hon. Mr. BURNS: Someone has spoken of shipping the cattle and the feed to the East.

Dr. BARTON: Only a part of the feed, the concentrated grain.

Hon. Mr. BURNS: You have the feed and the cattle in the West. Why ship them east?

Dr. BARTON: Many cattle are going through now that should be fed more than they are.

Hon. Mr. SINCLAIR: In the average year we have plenty of feed—hay, grain and roots—and it seems to me that there is plenty of opportunity for finishing young cattle from the western ranges on our farms and sending them on for export. In that way we would get a better grade of cattle. We have not a uniform grade in the East. By buying western cattle we would get an animal that was true to type, and being near the seaboard the shrinkage would be less. If a minimum freight rate could be secured for cattle going to the Maritime Provinces, I think it would do much to encourage that business.

Hon. Mr. BURNS: I do not want to be misunderstood. That is quite right if you have the feed.

Dr. BARTON: I should not like to be misunderstood either. My idea of bringing the coarse grains down here is for supplemental feed.

The CHAIRMAN: I think, gentlemen, we have had a very good meeting, and if you are through now we will relieve Dr. Barton.

On behalf of the committee, Dr. Barton, I should like to thank you for coming here this morning and for the very interesting information which you have given us. I think I might go even further, and say that we would like to compliment you on your ability to impart information in a very pleasing manner.

Some Hon. SENATORS: Hear, hear.

Dr. BARTON: Thank you, very much. It has been a great pleasure for me to meet you, I am sure.

Hon. Mr. BUCHANAN: What dependence can you place on the red or blue label beef that you get in a hotel or on a railway train?

Dr. BARTON: Like other things, beef grading is not infallible. The final test of the beef is in the eating.

Hon. Mr. BUCHANAN: If you are eating red label beef and it does not taste like it—

Dr. BARTON: That is unfortunate. But in the great majority of cases you can rely upon the marketing. The beef is graded in the packing houses, and those two grades are checked. We do not actually do the grading, but we check it. There may be times, of course, even if the work is done conscientiously and as intelligently as it possibly can be, when a carcass may grade red label but be disappointing when you come to eat it. It is not mathematically or humanly possible to grade beef absolutely accurately, but it is possible to classify it in a broad way. Graded beef has increased in consumption to a gratifying extent, and we believe it gives the consumer some assurance of quality. Nevertheless, at times you will have the experience you refer to. I have had it myself.

Hon. Mr. BUCHANAN: The blame is on the packers, I suppose.

Dr. BARTON: I would not say that.

Hon. Mr. SINCLAIR: If I might refer to the inspection in the disease free areas, I would ask if you have done any of that work yet?

Dr. BARTON: Yes, some.

Hon. Mr. SINCLAIR: Has the percentage of reactors proved to be high? Is there much danger?

Dr. BARTON: Oh, I see what you are getting at—the existence of disease in areas that are free.

Hon. Mr. SINCLAIR: Tuberculosis.

Dr. BARTON: Oh, the post-mortem examinations confirm the tests.

Hon. Mr. SINCLAIR: It is not the accuracy of the test. Are many reactors showing up?

Dr. BARTON: Do you mean the cattle that are in the areas?

Hon. Mr. SINCLAIR: The cattle that were brought into the West for feed.

Dr. BARTON: I could not answer that.

Hon. Mr. SINCLAIR: Is there much risk of infection in doing that?

Dr. BARTON: No, I would say the risk is very small. The percentage of reactors among the western feeder cattle is very, very small, almost negligible.

Hon. Mr. RILEY: We pay a quarter of one per cent insurance on every beef animal we sell up there off those ranges.

Dr. BARTON: There are other things besides tuberculosis.

Hon. Mr. RILEY: It covers other things, but originally it was put on to cover tuberculosis, but we never had any there.

Hon. Mr. BURNS: The cattle are out in the air and do not get any disease as they do in the East.

The CHAIRMAN: Thank you, Dr. Barton.

The Committee adjourned at the call of the Chair.

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THE SENATE,

WEDNESDAY, March 21, 1934.

The Standing Committee on Agriculture and Forestry resumed to-day at 10.30 a.m.

Hon. Mr. Donnelly in the Chair.

The CHAIRMAN: We are fortunate in having with us this morning Mr. Robinson of Melbourne. I understand he is interested largely in dairying.

Mr. Robinson, proceed in whatever way you think best.

Mr. F. E. M. ROBINSON: Perhaps, Mr. Chairman, I had better tell the Committee what I do for a living.

The CHAIRMAN: You can first make a statement in regard to dairying.

Mr. ROBINSON: I was born in the Middle West of the United States of Canadian parents and educated at Montreal schools and at Trinity College, Cambridge, in England.

I have been dairy farming in the Eastern townships for twenty years. From 1929 to 1932 I was President of the National Dairy Council.

I own and operate three dairy farms near Upper Melbourne. I keep from 120 to 130 head of pure bred dairy cattle and ship my milk to Montreal. That keeps me busy.

*By Hon. Mr. Pope:*

Q. Do you ship milk or cream?—A. Milk.

Q. Why don't you ship cream?—A. I used to, but at the present time milk is better suited to the situation of my particular farms. It might not be

to somebody else. I should like to say also that from 1922 to 1928 I owned and operated three creameries shipping cream to the United States. This industry, as you know, was nipped in the bud by some of the tariff activities of our friends over the line. I sold the creameries before the business extinguished itself.

*By Hon. Mr. Sharpe:*

Q. Were you ever in the cheese business?—A. No, sir.

*By Hon. Mr. Horner:*

Q. Do you get a special price for your Jersey milk?—A. I used to. In recent years I have found it advisable, and in a sense still do, to take the same price as other people receive per pound of butter fat, but to trade the extra quality reputation, if you like to so term it, of my herd for a no surplus contract. In other words, all my milk is sold at the Association price, and I find that more valuable than selling part of it for a fancy price which possibly you could get, even in these days, and having an indefinite amount of it skimmed and left over, or at home, or what not.

*By Hon. Mr. Gillis:*

Q. I suppose that milk from the Jersey breed contains more butter fat?—A. Yes, about five per cent.

*By the Chairman:*

Q. Mr. Robinson, do you wish to make a further statement about the condition of the dairy business in general, before answering questions?—A. No sir, I am quite prepared to answer questions.

*By Hon. Mr. Sinclair:*

Q. Do you sell to the trade direct or to the consumer?—A. I sell to the trade.

Q. For city use or manufacture?—A. For city use.

*By Hon. Mr. Gillis:*

Q. I suppose that with the quantity you handle you could not sell direct to consumers?—A. Not very well. I am seventy-five miles from Montreal, and it would require the building up of a little organization in there, which is expensive and hazardous.

*By Hon. Mr. Pope:*

Q. Do you not think it would be better to sell the cream and keep the skimmed milk and fatten pigs, and do some business that way?—A. Yes, I think so, but when one's farm is situated two miles from a railway station on a good road, one is within the district in which the shipping of milk is probably in the long run a little more profitable than the other system. If I lived two or three miles further away I certainly would sell cream.

Q. What about cheese? Should we not make part of our milk into cheese, instead of all into butter in the summer, in Eastern Canada?—A. Very likely we should, but I do not think we will.

Q. Why not? We used to.—A. Yes. The fact that cheese has declined, with very few exceptions, continuously since 1901, is pretty fair evidence that that is a definite tendency in the industry. The maximum year of export from this country was 1901, if my memory serves me right. It has been declining now for thirty-two years.

Q. You mean the quantity?—A. Yes. It was over 200 million pounds then, and last year it was 85 million pounds.

Q. But we were shipping cream and milk and everything else to the United States, until they cut our throats.—A. Even that did not revive the cheese industry.

*By Hon. Mr. Gillis:*

Q. At the prevailing prices of butter and cheese, would it be more profitable to manufacture cheese instead of butter?—A. At the moment, no, when butter is high and cheese is not so high. Butter will no doubt fall in the next few weeks, but I can only suggest to you that if cheese were really more profitable than butter, more farmers would make it.

*By Hon. Mr. Pope:*

Q. Our cheese is shipped too green; it is not matured.—A. Some of it.

Q. The Englishman likes matured cheese.

*By Hon. Mr. Sharpe:*

Q. Are you getting what you consider a fair price for your milk now? One sees a great deal of complaint about it in the papers.—A. I remember getting \$4 per 100 pounds for milk and complaining about it. I do not think you can eliminate requests for higher prices by raising prices. That is really a very involved question. I do not know whether it is a fair price or not. I am taking it and breaking even.

Q. Are you making any money out of it?—A. I am making operating wages, repairs and taxes, but no interest whatsoever.

Q. Then it is not a fair price?—A. Is anybody else making interest, in a broad way, in the country?

Q. We are talking of this industry now.

*By Hon. Mr. Horner:*

Q. Do you think that you are receiving more from your milk and your cows than if you were shipping cream?—A. Yes.

*By Hon. Mr. Sinclair:*

Q. What does \$4 represent on the butter fat basis, per pound?—A. Eighty cents.

*By Hon. Mr. Horner:*

Q. We hear a lot about price spreads, unethical business methods, and so on. Would you care to say what price you believe the farmer should receive for his cream in order that he could pay living wages and have wages for himself?—A. No, sir, I certainly would not be prepared to make any such statement, because I have no idea to what extent such regulation as you suggest would affect the farmers' costs, both direct and indirect; and having no means of knowing that, I could not say whether a proposed price would be fair or not. To say that a certain price would be fair if conditions remained the same, is meaningless, because conditions would not remain the same.

*By Hon. Mr. Gillis:*

Q. The inquiry in the other House last year was in connection with the profits made by middlemen. I suppose you know the average price for milk per quart in Montreal and other cities?—A. Quite well.

Q. What is the difference between that and what you receive for it, roughly?—A. Oh, roughly twenty-six cents or twenty-seven cents a gallon spread.

Q. That is the middlemen's profit?—A. Yes. And since with possibly one or two exceptions in Montreal they are all losing money, it is rather difficult to say that that should be at the moment reduced.

Q. You do not think that what they are making is exorbitant?—A. What they are charging is exorbitant, but not what they are making, sir. They are not making anything.

*By the Chairman:*

Q. Do I understand you to say that the distributors are not making anything?—A. No, sir, they certainly are not. I omitted to say, and I would like it inserted at the proper place in my statement of what I was doing, that I am also a director of several dairy companies, and therefore speak with some knowledge when I say that we are not making money.

Q. The dairy companies make a business of supplying milk to people in Montreal?—A. Yes, sir, Montreal, Toronto and western cities also.

*By Hon. Mr. Sinclair:*

Q. When you say they are not making money, what is the cause of it? Can they not collect, or are there any other special reasons?—A. The causes are very complex, sir, and would take a long time to explain. But briefly, they are entirely excessive costs, based on luxury services, over-competition, some over-capitalization, reduced volume, and relief milk, which they are compelled to sell at a reduced price, although it costs just the same to deliver as any other kind of milk.

Q. It has to be sold at a set price?—A. Yes, these are a few of the reasons, and all of them could be amplified.

*By Hon. Mr. Horner:*

Q. Have you a knowledge of the workings of the Milk Pool of Saskatoon?—A. Yes, sir.

Q. It is working satisfactory, as far as the company is concerned?—A. So far.

*By Hon. Mr. Little:*

Q. When you say that there is a spread of twenty-six cents a gallon, is that at the present time, taking this relief milk into consideration?—A. Yes, sir. I am speaking very generally, Senator Little. I think it is about that at the moment, but I would have to refresh my mind with figures. Relief milk in one of the companies in which I am interested works out between 18 and 20 per cent of the whole volume they sell, and they have to sell it for one and a half cents a quart less than the ordinary price. If they stopped selling it they would lose the customers, if as and when any of the families stop being on relief. However, the rectification of these troubles is not, I take it, part of the purpose of this inquiry, and it would be a very long story to go into.

*By Hon. Mr. Gillis:*

Q. Do you think the public is pretty well treated by those dairy organizations that are taking the milk from the farmers? Do you think they are not robbing the people at all?—A. Such robbery as might be charged to them is incidental to a chain of mistakes extending back over a decade or more. It is the inevitable result of faulty policy, and faulty ideas and ideals on the part of distributors and the public, extending away back over the last twenty years, ever since the war started. It is not that they have consciously or wickedly upset an ideal arrangement this year and started to rob the public. They are fighting for their lives and doing all sorts of crazy things, because they have been doing crazy things ever since 1914.

*By the Chairman:*

Q. At the present time what is the average price per quart paid for milk by the consumer in Montreal?—A. That likewise is a difficult question to answer, because, presumably, ultimately the consumer buys all the milk sold at wholesale—through hotels, grocery stores and small dealers. Probably it is in the neighbourhood of eight and a quarter cents. It is just a guess.

Q. Perhaps I should have said the prevailing price.—A. I wish there was one. The house to house delivery is ten cents, ostensibly. Actually some cuts are given in the case of large customers, and there are what we call small peddlers selling for eight cents right now.

*By Hon. Mr. Sinclair:*

Q. As a producer, what do you receive?—A. Forty-three cents a pound butter fat, which is on the basis of \$1.50, which is the price in Montreal for 3.5 milk.

*By Hon. Mr. Sharpe:*

Q. What does that work out at a quart?—A. Five cents, approximately.

Q. They double the price, then.—A. But that, of course, sir, is a very good price, because I am selling Jersey milk, very high in test.

Q. You said you got the common price.—A. I get the common price per pound of butter fat. My milk tests about 5.

*By the Chairman:*

Q. Is 3.5 the standard required?—A. Yes, sir.

*By Hon. Mr. Sharpe:*

Q. And we pay at our door ten cents a quart for it. We do not know what test that is at all. What does the average farmer get for that a quart?—A. Oh, three or three and a half cents a quart; sometimes less.

*By Hon. Mr. Pope:*

Q. Never more?—A. Never more under present circumstances.

Q. Never more, and sometimes less.—A. I should like to point out very definitely that it is not any absolute level of price that attracts a farmer into a given line of agriculture business; it is the relative price; it is whether such a price is high or low compared with the returns in some other line of activity in which that farmer can engage. You have just intimated that the price received by farmers who supply whole milk is probably an inadequate price. It is; but it is less inadequate than the price received for manufacturing milk at present. Therefore, relatively speaking it is a good price, not a bad price. The fact that the price does not enable me to make interest on my money is, if you like, the fault of the times. The whole society of Canada is failing to make interest on its money at the present time.

*By Hon. Mr. Sharpe:*

Q. When you are delivering common run of milk for three and a half cents you hand it over to some person else, and he sells it at ten cents?—A. Yes.

Q. That man must be making money?—A. I wish he was.

Q. Where does the expense come in?—A. That is a long story. There is an endless train of expenses that have grown up over a period of years. In many cities there is the Union scale of wages to drivers—Winnipeg, for instance. Wages are as high as they were three or four years ago. There are very stringent health regulations that compel the maintenance of the plant in a certain

state. That is quite right. There is the building in a competitive way of very expensive luxury plants, each firm trying to out do the other in chromium plate and plate glass. That is all gone now, but there are the structures and they have to be paid for.

Q. Then there is the delivery of the milk?—A. Certainly. There are half a dozen drivers going up the same street, and if the distributors suggest zoning the city, immediately the housewife calls up and says, "I am accustomed to buying my milk from so and so." Then there is the question of special delivery. Your wife is having people to afternoon tea, and she has forgotten to order cream, so she rings up a plant three miles away and asks them to send her half a pint of cream. That costs fifty cents, and the company gets thirteen cents for it. No company can take the initiative in dropping these services, so this goes on at a perfectly crazy level.

*By Hon. Mr. Horner:*

Q. It is your idea that that will have to stop?—A. Certainly it will stop. It will stop, because it will break down. I wouldn't worry about it.

*By Hon. Mr. Sharpe:*

Q. What would you propose in place of it?—A. Nothing. I would be afraid that anything I might propose would be worse than what we have now.

*By Hon. Mr. Gillis:*

Q. Do you think there is no remedy?—A. Time and patience, and cutting off a few corners here and there. But to set out to revamp it as our friends across the line think they are doing—you will have to get some other witness to agree to that theory.

*By Hon. Mr. Buchanan:*

Q. What do you think of the milk control policy in Winnipeg and some of the cities of Alberta?—A. I think that is possibly, temporarily, a necessary extension of governmental control of an industry that has got itself into a chaotic state, and that only such control can save the adequate distribution of a necessary commodity from falling into chaos. If there is to be control, it should be of such a nature that it would not be part and parcel of the industry, so that the industry could never stand on its own feet again. I think we shall have to have such control boards for a while in the province of Quebec. I hope our Government will do two things: first of all, so organize that control that it may be done away with after a while; secondly, recognize the fact that the chairman of a milk utilities board must be a man of judicial temperament. He is trying to arrange a price for three people whose interests are all antagonistic one to the other, the consumer, the distributor and the producer. I think it is safe to say he has got to be a man of judicial temperament. The other members of the board can safely be chosen to supply technical knowledge of the business, but if the chairman's is a mind which from its very nature leans hard one way or the other, by that very fact he is unfitted to be chairman of the board which has to deal constantly with a problem for which there exists no solution completely acceptable to the three parties involved.

*By Hon. Mr. Gillis:*

Q. It requires almost a super-man?—A. Yes. You are a consumer and want cheap milk; I am a producer and want dear milk; the third man, the distributor wants a big spread. We cannot all be satisfied.

Hon. Mr. BURNS: There is too much competition. Only the other day I was told of an instance where there were 19 rigs in one city block.

The WITNESS: Yes. At various places in Canada the farmer has been himself to blame for part of the over competitive condition in the milk distributing business. Where he was going along fairly nicely he thought the distributor was taking an unduly large margin, and he tried to remedy the situation by putting a dozen or so of his own rigs on the street. The sum total of the whole business had to be so re-adjusted as to carry the cost of those dozen rigs. The farmer saw a real grievance; there is no question of that. I am not holding up the distributor as a model, but I wish merely to show that the addition of a lot of milk delivery vans in a city where none are going out heavily loaded only aggravates the situation; it does not remedy it.

*By Hon. Mr. Horner:*

Q. But the individual farmer who undertakes his own delivery gets a larger price for his milk?—A. He generally loses money and abandons the effort after a while.

Q. I know personally a farmer about four miles of this city. He delivered his own milk for a number of years; then he quit and sold it to a distributor; he quit that again and is back selling his own bottled milk. He thinks he is making much more money by so doing.—A. My comment on that would be that in individual cases it may, of course, be so, he may be making more money. In very many cases he has no accurate knowledge as to whether he is making more money or not. He naturally keeps books, as every farmer does, with no means of knowing he is charging adequate depreciation of his waggons. He may be merely putting himself in a position where his own personal labour may be employed for a greater return than by doing more hours of work on his own farm; but that is not to say that the distribution of milk by that particular farmer is economically more profitable than by the distributor. It may be, but it may not be. He does not know.

*By Hon. Mr. Gillis:*

Q. It depends on the difference between what he receives from the individual consumer and what the trade would pay him?—A. And much depends on what he charges against those profits, sir.

Hon. Mr. LITTLE: I have been getting two dollars a hundred for jersey milk. I have been selling it since 1924 or 1925. Just as Mr. Robinson has pointed out, I took a couple of accounts, one a hotel in London, the other a large departmental store that runs a rather active cafeteria. Jersey milk used to sell in London for eleven cents a quart, but for the last year and a half the price has been nine cents. Those two accounts are worth about \$100 a month to me. After trying out this policy for two years I found there was no money in it, that it was much better to get my \$2 a hundred from the distributor.

Hon. Mr. GILLIS: You gave up delivering your milk?

Hon. Mr. LITTLE: Yes.

*By Hon. Mr. Gillis:*

Q. Are there fewer cheese factories in Canada now than there were ten years ago?—A. Yes, a few less. The dairy business, of course, is full of problems and of discontented people, but I do not think it could be substantiated that the dairy farmers as a class are any worse off than any other sort of farmers. I am sure they are not. They are certainly better off than the Western farmer at the moment.

Hon. Mr. HORNER: There are many farmers in Western Canada engaged in dairying,

The WITNESS: Fortunately.

Hon. Mr. HORNER: Last year the Saskatchewan co-operative creamery exported about 1,500,000 pounds of butter. The price the farmer of Western Canada has been receiving for his cream has been very low until just recently.

*By Hon. Mr. Gillis:*

Q. I think you said a little while ago, Mr. Robinson, that cheese making is less profitable than butter making at prevailing prices?—A. I judge that from the tendency that cheese making continues to decline. After some years' experience in producing dairy products, I personally would be very chary indeed of making positive statements as to the profitability or otherwise of given branches of agriculture. To my mind we hear far too much of statements that the cost of production of a certain agricultural commodity is a certain figure. I would never venture to make any such statement. The cost of production in agriculture does not mean the same as it does in the city. Farmers can and do go on producing things at a book loss for years. I do not say they should be called upon to do so, but they have been called upon to do so, and it produces a decay of country life. But the process does not stop. Whereas if the manufacturer is called upon to produce anything at a loss, he does not continue to do so for a number of years; he soon shuts his doors. I remember at the beginning of this lamented period we were told that wheat could not be produced in Western Canada at less than 75 cents a bushel, but it is being produced and will continue to be produced for a while at less than that figure.

Hon. Mr. BURNS: Yes, even at 30 cents.

The WITNESS: Yes. Surely cost of production depends upon the scale of living of the farmer's family, the amount of family work he puts into his farm, the amount of return he considers necessary for his own personal labour, and the interest on his investment. This may be zero for years at a time, and often is, but that does not stop him. It does not stop me making milk because I am getting no return on an investment of \$40,000. And, mind you, that is an investment figured at present values, not on past values, which are double. Even then I cannot get any interest return, but the capital is there. If I had the same sum put into paper securities I would not have that same assurance.

*By Hon. Mr. Burns:*

Q. Your plant wears out, though. The cows wear out?—A. Yes, but they also have calves. They are self-repairing machines.

*By the Chairman:*

Q. I gather from what you say that at the present time you are producing and selling milk below cost. You tell us you are not making any interest or providing for replacement.—A. No, I am not.

Q. Of course, you are in a different position from the ordinary farmer, because you are operating in a large way and you naturally have to pay for your help?—A. Yes.

Q. It is not a matter of your own family doing it?—A. Quite.

Q. If times get better and the cost of labour goes up, it would be natural that the cost of producing milk would go up?—A. No doubt.

Q. So that you would have to get a still higher price?—A. No doubt.

Q. I think the consumer feels that he is paying plenty in the city, right now, so apparently the only solution would be for some economy in the way of distribution?—A. Quite. I hate to think what the consumer will be feeling about it in a few years from now. Then he will be paying prices.

Q. You think he will be paying more?—A. I am quite sure of it.

Q. As one of the senators suggested a while ago, you cannot go on producing milk if you are not getting interest on your investment?—A. As I see it, reduced prices for agricultural products are not at first reflected in any reduction of output. Although I am not a wheat farmer, I have given quite a lot of study to grain economics. I remember being asked in 1930, I think it was, by a certain high official of the Canadian Pacific Railway Company, if I did not think that the low prices which then prevailed for grain would very soon work their own cure by resulting in greatly lessened production in Western Canada. I said that I did not think so, and he started to talk about the law of supply and demand. I replied that that was a very hackneyed argument, but since the farmer in a large part of Western Canada has no alternative but to produce wheat, he would try to produce more when the cost was low than when the cost was high. And so it has turned out. However, if the price goes low enough and continues long enough at a low level, a certain process of decay will go on; tools cannot be repaired or replaced, tractors cannot be operated, labour cannot be hired. So if the low price continues long enough, the reverse tendency begins to show itself in reduced production, not on account of unwillingness of the farmers to produce, but on account of inability to do so, which is a very different thing. I think we are approaching that period, and I would look for greatly enhanced prices for agricultural products, but unfortunately not accompanied by increased purchasing power. So that the high prices which some of our friends, whom you all can think of, so greatly desire, will not usher in the economic millenium. We shall have high prices and low purchasing power, and people crying out not because they cannot pay their mortgages but because they cannot pay their current bills. In other words, the burden will be shifted from one shoulder to the other, but it still will have to be carried.

*By Hon. Mr. Gillis:*

Q. That is rather a blue outlook.—A. I do not know.

Q. You think that the Western farmer will, by reason of the low prices, naturally reduce his production?—A. I said that there is a tendency that way, which I think will be fairly manifest this summer. But I think that the increase in prices will come soon enough so that it will not go very far, but there will be a tendency that way.

Q. So that it may not become necessary to compel the farmers of the West to reduce their acreage by fifteen per cent?—A. I certainly hope they will not be asked to do anything so ridiculous. It is a very interesting subject, but I think you would prefer to have me deal with dairying.

*By Hon. Mr. Buchanan:*

Q. In answer to a question by Senator Pope, you said that if you were farther away from transportation you would probably consider using milk for feeding hogs?—A. Absolutely.

Q. Is there a tendency now, on account of the better price for hogs, to abandon dairying and turn to the raising of hogs?—A. Yes.

Q. Is it noticeable?—A. Yes, in the eastern townships. Of course, practically speaking, they have no hogs there, but they feel that if they did have them they would be making more money, and that cheers them up immensely. A man's neighbour will possibly drive down the road with a few hogs and come back with \$150 and this man will say to himself, "If I had kept those hogs I had, I could have got as much money as that now." He is not blaming the Government or any other outside sources for his present situation; he simply sees that if he had kept his hogs he would have been better off, and as I say, that cheers him up a lot.

Q. Say that we were able to extend the market for hogs in Great Britain, would that have any effect on milk?—A. It would relieve the pressure on the fluid milk market in Montreal, but it would not lessen the production as a whole.

Hon. Mr. HORNER: Mr. Robinson said a few moments ago that a farmer kept no track of what he received for his dairy products. My experience in Eastern and Western Canada has been that dairying is a side line with most farmers. I remember that in 1900 we sold milk as low as fifty cents per hundred pounds. The milking was done night and morning, and it at least was a good method of training us young fellows to work. The situation in New Zealand is entirely different, where the farmer specializes in dairying, or in other branches, as the case may be. But in Canada, as I say, the farmer keeps a number of cows, and the chores are done by himself or his son as a side line.

Mr. ROBINSON: I would like to register my conviction that farming is not primarily a business, it is a way of life. No amount of bookkeeping, no matter how intricate, will suffice to show in the sense that the manufacturer can show, what it costs to produce certain forms of commodities, and no amount of bookkeeping will justify certain practices which might appear profitable on the books, nor suffice to cause the farmer to abandon certain other practices which might show a loss.

*By Hon. Mr. Horner:*

Q. And on no two farms would the cost of producing a commodity be the same, whether it be wheat, or any dairy product?—A. Hear, hear.

Hon. Mr. BURNS: I agree with what Senator Horner has said. The labour connected with dairying that is carried on in a small way by the average farmer, does not cost him anything, and the money he gets from the sale of dairy products keeps the ball rolling.

*By the Chairman:*

Q. You speak of keeping dairy cows. Have you had any experience in keeping Holsteins or Ayrshires?—A. No, sir. I believe them to be not only equally well suited, but better suited to certain conditions. I believe Jerseys to be particularly well suited to my conditions. That is why I keep them.

*By Hon. Mr. Burns:*

Q. They are small milkers?—A. It depends on whether you get the price for the milk or not. The chief reason I keep Jerseys is that under our conditions in the Eastern Townships we never have a surplus of roughage; it is generally a question of a deficiency, and we must have a cow from which we can make the maximum possible out of each fork of hay. If I lived in Western Ontario, for instance, where there may be large surpluses of grain, hay and straw, in excess of the normal feeding capacity of the number of cows that a man generally keeps, then I would naturally keep a breed that consumed more rather than less.

Q. You cut up this straw, do you?—A. Cut it up, and use it for bedding.

*By Hon. Mr. Pope:*

Q. Have you a silo?—A. Yes, sir.

Q. What do you put in it?—A. Anything—corn, O.P.B., sunflowers, clover—any old thing at all.

*By Hon. Mr. Horner:*

Q. Have you any suggestion to make as to the method of improving conditions in the dairy industry?—A. Only such as would apply to the whole of agriculture. I did say, and I still think, it may be necessary to extend the principle of milk utility control boards to some of the cities in the East, with

certain safeguards. Aside from that the troubles that beset the dairy industry beset the agricultural industry as a whole, and I see very few signs that the nature of those troubles is being recognized, or that adequate steps are being taken towards betterment. Given time they will automatically be corrected, but they might be corrected with comfort and profit to all concerned within a few years.

Q. Do you not think that possibly we are working towards a condition where even production and sale and competition will have to be supervised? We may not like Government interference, but it may be absolutely necessary.—A. I am afraid it may be so. If so, conditions will break down, and we will proceed with the inevitable adjustment after a still more painful interlude. I should regret to see it very much.

Q. So should I, but it looks as if it might be necessary in regard to the raising of wheat and hogs. If we were to rush into hog production we would have more hogs than there would be any market for.—A. Quite; then we would rush out again.

*By Hon. Mr. Gillis:*

Q. That would increase the cost of milk and cream?—A. Perhaps it would not be as costly as the supervision would be.

*By Hon. Mr. Horner:*

Q. Are they not getting along with supervision in regard to hogs in Denmark?—A. Yes. They were close to an available market, and were astute enough to be the first in it, and to use every means open to an intelligent people. Now they find themselves in almost as great economic difficulties as we do, and further planning on their part will not avail to keep the market they now have, much less to increase it.

Q. But naturally they have a small acreage of land per farmer. In Canada we have every natural advantage, and an immense wealth of land. There they have to tether their cattle with chains to keep them from tramping the pasture. They have a strict code with regard to the selling of hogs. Each farmer can sell only so many, I undersand.

Hon. Mr. BURNS: That is of late years only.

The WITNESS: If you replace in the statement which you make the word "necessary" with the word "probable" I will subscribe to it. You said a further extension of control was necessary. I say it is probable. I do not say it is necessary.

*By Hon. Mr. Horner:*

Q. You don't believe it is necessary?—A. No, sir. I believe we will get into a tenfold worse jam than we are in now by trying. I believe markets and prices are there. You cannot make either, but you can use both.

*By Hon. Mr. Horner:*

Q. Take two men in the manufacturing industry: they may have to curtail or get together. Two farmers similarly situated each have an equal right to produce a certain number of cows and sell the milk. One man goes in and hogs the whole proposition. All the other farmers are entitled to make a living, but if they all go in together they would ruin the market, and eventually have a production for which there was no consumption. That is why I ask if you do not think it may be necessary.—A. No, I do not think so, sir. I think that goes back to the question of opinion as to whether there is or is not world over-production of food stuffs.

Q. Then, do you not think that modern methods of producing food stuffs enter into the picture? For instance, milking machines, and harvesting combines. We have all the difference between the cradle and the flail and modern machinery in handling our grain?—A. I can only suggest that we are not as long a distance from the cradle and the flail as we were three years ago. We have moved back towards that condition a considerable distance, and we are likely to move back further yet. I think the mechanization of agriculture has had a great effect, but I think it is greatly exaggerated. The vast bulk of the world's food stuffs continues to be produced without mechanization.

*By Hon. Mr. Gillis:*

Q. You can suggest nothing, Mr. Robinson, to improve conditions all over the country?—A. I am afraid this Committee will consider I am desperately reactionary and old fashioned when I say I do not think there is very much we can do. We shall have to tinker with the old machine so it does not grind its gears too badly until it can re-adjust itself. There is not very much to be done other than to recognize the fundamental nature of our present troubles, of which I see very few signs. A recognition of that would do wonders towards rehabilitating the machine.

*By Hon. Mr. Burns:*

Q. What do you think about milking machines?—A. I use machine-milking, Senator Burns, because in my particular type of organization I have no use for the extra hired labour which I would have to have to milk the cows by hand. If I had any use either profitably or with an even break for the extra labour, I would abandon machine-milking to-morrow, because I prefer hand milking, but I should have to keep three or four more men and I would have no other work for them to do.

Q. Don't you think machine milking hurts the cows?—A. No, sir.

*By Hon. Mr. Gillis:*

Q. Does it affect the flow of milk?—A. No. I do think that a cow can be kept to a higher production standard throughout the year by the best hand milking; but if you take a succession of hired men to replace one another—a condition which you have to face on the farm to-day—then I prefer machine-milking. That is why I have it.

Q. If you could get men who understand the work you would prefer hand milking?—A. Yes, at once.

The CHAIRMAN: I gather from your remarks, Mr. Robinson, that you are not particularly favourable to too much paternalism; you are inclined to let the individual rely on himself to work out his problems rather than have the Government do anything for him?

The WITNESS: I am afraid the individual will have to exercise rather more intelligence if the Government interferes with him than he does now when relying on himself.

May I register another opinion, Mr. Chairman?

The CHAIRMAN: Yes.

The WITNESS: Before the Committee adjourns, Mr. Chairman, I should like to register my opinion that the fundamental factor which has brought about the unhappy condition we are now in is an over-growth or an over-development of urban life at the expense of rural life. The cities are too large, too expensive, too high living to be carried and supported by the countryside as they are now.

Henry Ford says history is bunk. I do not think so. If history teaches any lesson at all in the last two thousand years, it is that every time cities

continue for too great a number of years to offer a return to capital and labour largely in excess of that which capital and labour can obtain in the country, they end by attracting into themselves so much capital and so much labour that the result can no longer be supported by the countryside in its depleted condition.

Now, that state of affairs has arisen through the operations of the so-called industrial revolution for the last hundred years. It has reached its climax now; we are in it. As I see it, it will infallibly remedy itself, the balance will be restored. If I read history aright, when similar conditions have arisen the balance has been restored in one of two ways: either there has been a sharp shrinkage in the population, wealth and activities of the cities until they were small enough, poor enough and cheap enough, so that the countryside could carry them; or there has been an expansion and an increase of the profitability and activity in the country until the foundation under those cities extended itself to such a dimension that it could carry the cities which were too big for it before; or more likely a little of both.

May I point out to you gentlemen that at the end of the Napoleonic wars the English manufacturing cities found themselves in just exactly the sort of jam that we are in to-day—thousands of unemployed, closed factories, budgets that could not be balanced, bread lines, complaints from the country, surpluses of wheat and of everything else. That condition remedied itself and changed into a marvellous era of prosperity, much of which Senator Burns can remember. It remedied itself without any collapse of the English cities because there opened up just at that crucial moment the vacant land of North America, which was developed on an unparalleled scale and with great rapidity.

May I point out further that that development promptly increased the very production of food stuffs which every economist of that era thought was already too great—an increase so manifold that it was not valued at all until the cities again got themselves anew into a jam similar to that which I have just outlined.

Now then, if you gentlemen can see any similar opportunity for expansion of rural life to carry the present cities of the Western world, why, I should be delighted. There are opportunities, but I do not think they in any sense parallel the settlement of Kansas and Saskatchewan. In other words, the adjustment, if it is to be an upward adjustment on the part of rural life, is going to be very much more difficult than it was then. If they had been confronted by tariffs or otherwise to England, the small area of rural life there could never have extended sufficiently to carry those young and growing manufacturing cities, and they would have had a collapse then. They did not collapse because their markets extended to the shores of the Pacific Ocean and did not stop within the shires of England.

I think we can do something towards intensifying and reviving rural life in the Western world, and so save the major part of the urban development which we have; but I am inclined to say, in answer to a thought which was implicit in one of your former remarks, that we probably cannot save it all, and that in the next ten years there is likely to be a considerable shrinkage of wealth and population in a number of the larger cities of the Western world before the balance can be restored. That is the only way the unemployed will ever be put to work.

Many or all of you gentlemen will not agree with my analysis of the situation, but I just wanted to put it on record.

Hon. Mr. HORNER: Mr. Chairman, I entirely agree with Mr. Robinson, and I should like to see his remarks given full publicity, especially in our Western newspapers.

THE WITNESS: With your permission, sir, I should like to read into the record a paragraph from old Adam Smith's *Wealth of Nations*, a book written

160 years ago. I am quoting from the chapter on wages and profit. Referring to the dealings of the cities with the surrounding countryside, he said:

In these latter dealings consists the whole trade which supports and enriches every town.

Every town draws its whole subsistence, and all the materials of its industry, from the country. It pays for these chiefly in two ways: first, by sending back to the country a part of those materials wrought up and manufactured; in which case their price is augmented by the wages of the workmen, and the profits of their masters or immediate employers: secondly, by sending to it a part both of the rude and manufactured produce, either of other countries, or of distant parts of the same country, imported into the town; in which case too the original price of those goods is augmented by the wages of the carriers or sailors, and by the profits of the merchants who employ them. In what is gained upon the first of those two branches of commerce, consists the advantage which the town makes by its manufactures; in what is gained upon the second, the advantage of its inland and foreign trade. The wages of the workmen, and the profits of their different employers, make up the whole of what is gained upon both. Whatever regulations, therefore, tend to increase those wages and profits beyond what they otherwise would be, . . .

The N.R.A., for example.

tend to enable the town to purchase, with a smaller quantity of its labour, the produce of a greater quantity of the labour of the country. They give the traders and artificers in the town an advantage over the landlords, farmers, and labourers in the country, and break down that natural equality which would otherwise take place in the commerce which is carried on between them. The whole annual produce of the labour of the society is annually divided between those two different sets of people. . . .

That is, urban and rural.

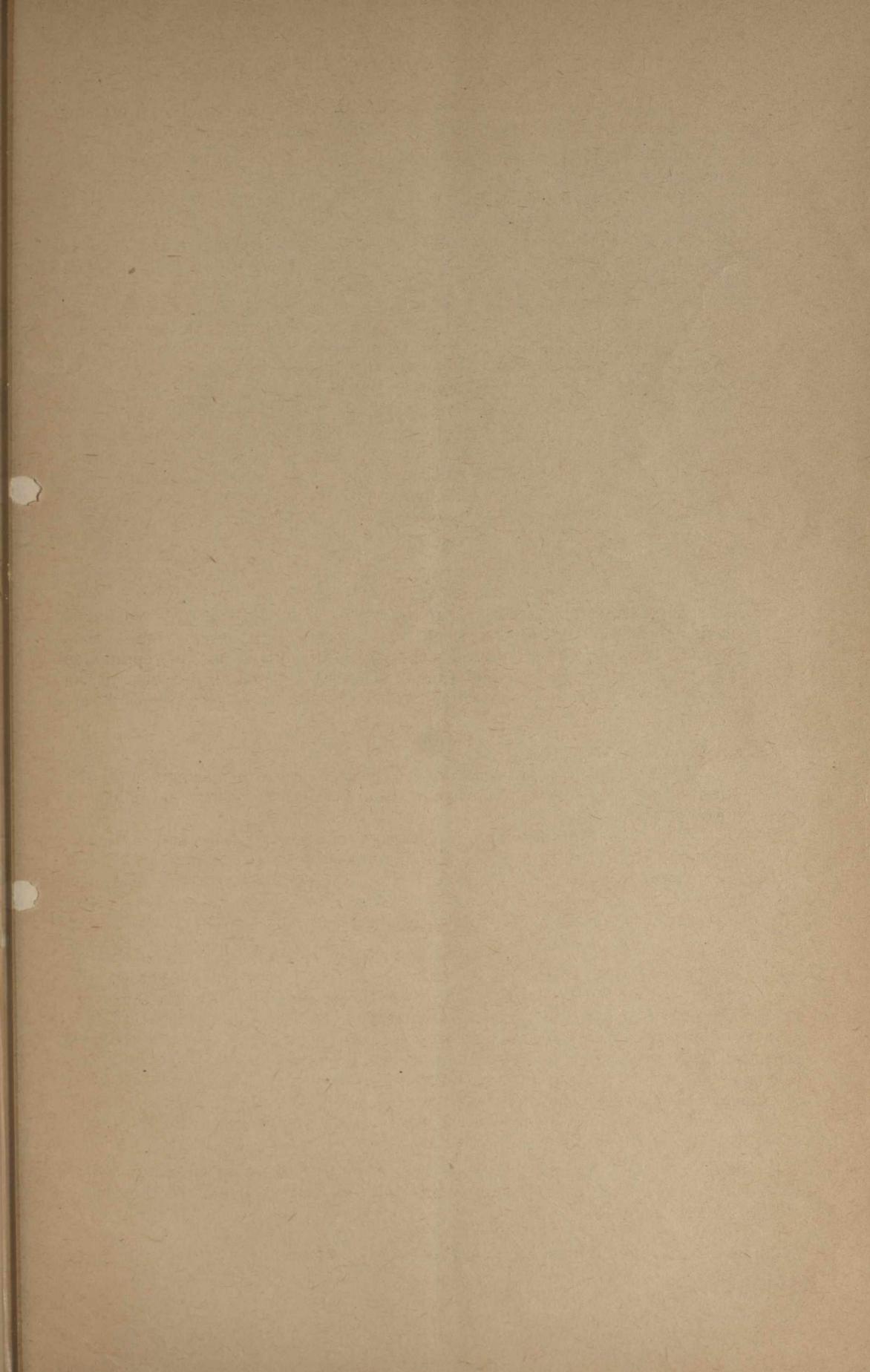
By means of those regulations a greater share of it is given to the inhabitants of the town than would otherwise fall to them; and a loss to those of the country.

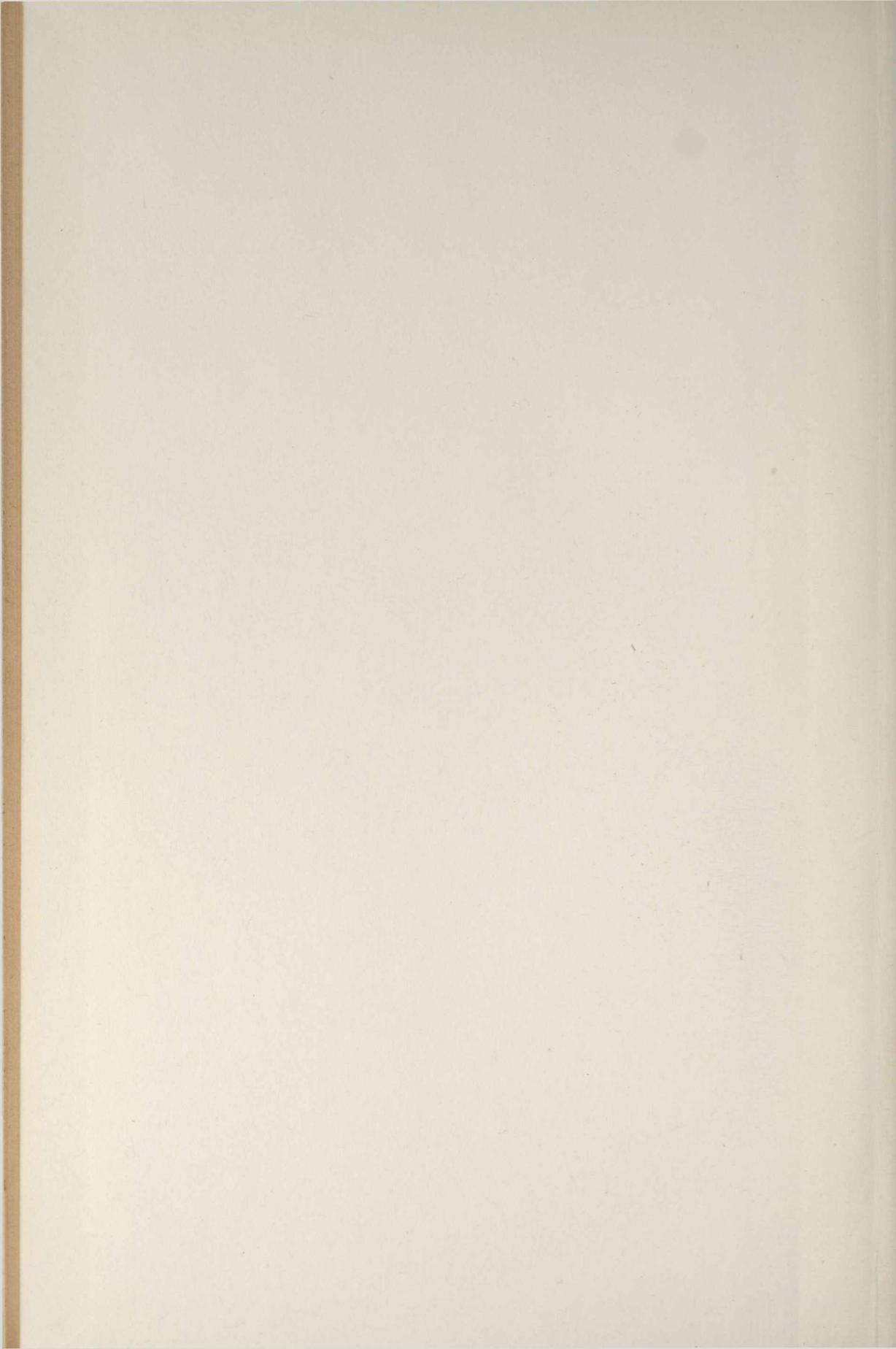
The price which the town really pays for the provisions and materials annually imported into it, is the quantity of manufactures and other goods annually exported from it. The dearer the latter are sold, the cheaper the former are bought. The industry of the town becomes more, and that of the country less advantageous.

Well, having continued to make the industry of the town more and that of the country less advantageous for the last one hundred years, we have now got the town so big and expensive that the countryside can no longer maintain it. Until we rectify that situation, all the tinkering we can do with the countryside will be of no benefit whatsoever. However, I am optimistic enough to believe that the present unbalanced state of affairs will correct itself. But I should like to see, in this country at least, that correction made with a little effort, a little intelligence and a little patience, and not with a lot of tears and a little blood which it certainly will be made with if we go on failing to recognize the fundamental cause of the problem we are trying to solve.

The CHAIRMAN: I think we have had a very interesting morning. Mr. Robinson has given us a lot of useful information, and on behalf of the Committee I wish to thank him.

The Committee adjourned, to resume at the call of the Chair.







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