

The Export Market.—Naturally the expanding demand from the domestic market for Canada's farm production has had a marked effect on the pattern of export trade. In the years 1935-39 Canada exported on the average 33 p.c. of the total agricultural production. The proportion has fluctuated considerably since then, reaching 69 p.c. in 1945, the peak year of the wartime food production drive, and dropping to 24 p.c. in 1953. In 1955, the latest year for which figures are available, it was 28 p.c. Imports of directly competing agricultural products have not varied much from year to year. They averaged 5 p.c. of Canadian farm production for the years 1935-39 and were 4 p.c. in 1955.

There has been a considerable change since before the War in the dependence on the export market by individual commodities. Wheat exports have averaged about 60 p.c. of production but exports of some other grains have increased greatly in terms of production. For instance, barley exports in 1935-39 were 17 p.c. of production and for the 1955 crop they were 27 p.c. The change is even more striking for rye, being from 26 p.c. in 1935-39 to 88 p.c. in 1955, and for flaxseed from 3 p.c. to 59 p.c. Despite the great increase in production there has been a marked decline in the relative dependence on the export market for livestock. The percentages of cattle marketings exported, both live and as meat, were 14 p.c. in 1935-39, and 3 p.c. in 1955. Equivalent figures for hogs show a similar movement, from 24 p.c. prewar to 6 p.c. in 1955. Exports of cheese and apples have also declined relative to production. Cheddar cheese exports were 65 p.c. of production in 1935-39 and 17 p.c. in 1955 and apple exports 52 p.c. in 1935-39 and 15 p.c. in 1955.

Canada's agricultural exports have also shown a decided change in direction during recent years. In the immediate prewar years, 62 p.c. of such exports, other than wheat, found a market in the United Kingdom and 27 p.c. in the United States. During the War, the United Kingdom took all available supplies of many agricultural products. After the War, balance of payments difficulties led to the curtailment of imports of many agricultural products from dollar countries, but the United States showed an ability to absorb greater quantities of Canadian farm products. In the three years 1953 to 1955, 21 p.c. of farm exports, other than wheat, went to the United Kingdom and 53 p.c. to the United States.

The position with respect to imports in the United Kingdom is that under a program of government assistance to agriculture through guaranteed prices and subsidies, domestic production has been stimulated and the dependence on imports reduced. In 1955 the United Kingdom produced 46 p.c. of its requirements of bacon and ham compared with 36 p.c. in 1938. The change in some other commodities was even more marked. Pork advanced from 74 p.c. in 1938 to 91 p.c. in 1955; eggs from 66 p.c. to 91 p.c.; beef from 47 p.c. to 63 p.c. and apples from 23 p.c. to 73 p.c.

The Future Domestic Market.—Whether the active trend of the past decade toward increased domestic consumption of agricultural products will continue appears to be tied in closely with the industrial economy of the country as a whole. With vast new resources being developed, and others still untapped, there seems every reason to conclude that population will increase even faster than in the past, that the domestic market will remain buoyant, and that new industrial areas will be established.

Thus Canadian agriculture faces the problem of meeting the needs of a much expanded domestic market. Canada has many thousands of acres of land in settled areas capable of much more intensive cultivation than at present. These areas are already supplied with electricity and transportation facilities and are within reach of schools, churches and other amenities of life. Scientific agriculture will continue to assist in increasing the potential output of Canadian farms. As already mentioned, hardier and higher-yielding varieties of almost all crops are constantly being developed; crop losses by insects, weeds and disease are being reduced; soil chemistry is making and keeping soils more fertile; irrigation and reclamation of suitable lands is progressing; improvement of livestock is under continual study as is processing, transportation and marketing of the finished product.