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“Australasia and Canada— Contrasts”

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MR. PRESIDENT AND GENTLEMEN:—I do not think my qualifications for doing this job today are so good as the President has indicated in his very kind remarks. Since I came back from Australia I have been asked by several public bodies, including the Canadian Club of Winnipeg and the Canadian Club of Toronto, to speak about my Australian and New Zealand experiences. One could not but be flattered at these invitations, but my job is not one of public speaking. I want my friends to know that, although I have accepted these invitations from a sense of duty, I still realize my business in the world is making sausages and not speeches.

The subject I have chosen is the contrast between Australian and Canadian conditions, and my remarks will have to do mostly with the only field I know much about, viz., agriculture. In travelling through Australia and New Zealand my chief interest was to study conditions under which agriculture is there carried on, as compared with those of Canada. And as a background of what I have to say I would remind you of the fundamental elements in our agricultural problem in Canada.

We all realize, of course, even those of us who are removed from actual contact with agriculture, that agriculture is Canada's foundation industry, and that the welfare of all of us depends on the welfare of agriculture. When agriculture is depressed in Canada we are all depressed, and when agriculture is prosperous we are all doing

very well. The basic agricultural problem of Canada is really quite simple to understand. Canada is a vast country with a comparatively small population. By reason of that fact it produces a large surplus of agricultural products which cannot be consumed in this country. That surplus product must be sold abroad, and a chief factor in Canadian economy is finding the best market abroad for that surplus. Now this, of course, is a fact of which everybody is aware, but it has an importance which we frequently do not realize, because the price we obtain in the markets abroad for the surplus determines, not only what we get for the surplus, but what we get for the whole production, including what is consumed at home. Therefore, the welfare of the Canadian farmer, and therefore of Canada generally, depends on the price at which surplus agricultural products can find markets abroad.

Unfortunately, the markets of the world for agricultural products are narrowing. We have evidence that all can understand in the shrinking outlet which exists in the world for Wheat. Up until 1929 it never occurred to anyone in Canada that the world might not be willing to buy our surplus Wheat, and we went on producing as much Wheat as we could without any thought that we might have difficulty in finding a buyer. Wheat may be said to be Canada's natural crop,—that which by nature it is best fitted to produce. Between the years 1920 and 1929 Canada shipped more and more of her agricultural surplus in the form of Wheat. In 1920 the value of the Wheat exported was approximately \$200,000,000, and that of animal products, approximately \$150,000,000. By 1929 that had been changed to the extent that exports of Wheat were 470,000,000 and animal products \$50,000,000.

Then the depression came, and the idea came to us with a shock that possibly the world would not be willing to buy all the surplus Wheat Canada could produce. We had a large crop of Wheat that year, and when we looked abroad for markets we found markets apparently did not exist,—that our surplus Wheat which had been sold so readily before could not be sold at all. Since then Canada's economic difficulties have hinged largely upon the fact that

markets abroad could not be found for the surplus Wheat, even at low prices.

The situation in the world today is that we have a group of producing countries,—Canada, Argentine, Australia, New Zealand, and the Scandinavian and Baltic countries,—all producing large surpluses of agricultural products, and able to produce still larger surpluses. And alongside that a gradually shrinking outlet for agricultural products. The reason for this situation I need not stop to discuss. For it is well understood. It lies in the growing tendency of all European countries to become economically self-sufficient.

In such a situation, the cost of production becomes a subject of great importance in every agricultural country. If markets are to continue shrinking, we must examine whether we can produce as cheaply as those other countries with whose products ours must compete.

That is rather a long preamble, but I have taken the time to give it because this was the query at the back of my mind in my hurried journeys through Australia and New Zealand.

The first thing I would like to say about Australia and New Zealand is to acknowledge gratefully the abounding hospitality which everywhere was extended to me. I never met anywhere a hospitality so warm and hearty, nor so keen a desire to assist a visitor in getting an impression of their countries. One can understand their willingness to do that. For they are very great countries and they are justifiably proud of what they have to show.

In speaking of Australia and New Zealand I must guard against giving you the impression that there is a similarity of agricultural conditions in these two countries. For such is not the case. Australia as you know is an enormous continent. From this distance I have always thought of it as an island, and so it is. But when one gets there he thinks of it only as a continent. It is larger than the United States. It is almost as large as Canada, including the whole Arctic region. The habitation and the cultivation of that continent is scarcely more than a fringe around the coast. More than one-third of the interior is

absolutely uninhabited and so far as one can see uninhabitable. In that area the rainfall is so light that neither men nor animals can make a living. As one works in from the sea coast the rainfall gradually declines. On the entire strip between the coast range and the sea coast there is quite an abundant rainfall, 30 to 40 inches, and in a comparatively narrow belt on the inner side of the coast range there is another belt of perhaps 200 to 400 miles in which there is moderately adequate rainfall.

It was entirely within the coast area and this inner belt, of the states of New South Wales and Victoria, that my journeys lay. These areas are extremely fertile when the rainfall is sufficient. It happened that I saw them under very favorable conditions. For the two weeks before I landed in Australia it had rained every day, so that on my first journey through New South Wales, northwest from Sydney, the country everywhere was green. There were seven in our party, five Canadians and two Australian hosts. The Australian country made a very strong impact upon us. I must say, I confess it with a little shame, that I was much worried at the apparent superior fertility and the seemingly favorable agricultural conditions we saw on that journey.

I was particularly interested in Wheat. After crossing the coast range, for 200 miles we travelled through Wheat fields. It was the first week of September, corresponding to the first week of March in Canada. The Wheat was up 6 or 8 inches. As we travelled North the Wheat was more advanced. We saw some fields almost ready to head out. I never saw better stands of Wheat anywhere. There was scarcely a field which did not seem to promise 30 to 40 bushels per acre. Since coming home I have read the reports on the Australian crop. On the whole the crop has been disappointing. In Northern New South Wales and Queensland the crop has been fair. In Southern New South Wales, Victoria, and West Australia the crop has been bad. The total crop will be about 60,000,000 bushels less than last year. However, when we saw those Wheat fields there was nothing to suggest they ever had drought.

And everywhere, alternating with the Wheat fields, were pastures carrying Sheep. Sheep are an essential part

of the farm economy. Every Wheat farm in Australia is also a Sheep farm. This dual operation gives them an enormous advantage. One soon makes up his mind that Australia is not what we are inclined to think, a marginal Wheat producer. But they have one great handicap, viz., drought. Of this there is everywhere danger every year; and in many parts certainty. I believe, however, Australia will always remain a Wheat producer. Her natural endowment is such that she will never be pushed out of production. However I am quite satisfied in my own mind, and it was quite a relief when I arrived at that conclusion, that Canada will continue to be the leading Wheat producing country. For Canada's Wheat is superior in quality and will remain so by reason of her climate and soil. In addition, her average production per acre is greater than that of Australia.

I cannot take time to go into the details of Wheat production in the two countries. In many respects Australia has great advantages. The chief one lies in the fact that on every farm they produce not only Wheat but Sheep. I have not yet stated in so many words that the basic factor in Australian agriculture is Sheep. Until I visited Australia and saw the Sheep actually in the fields, and realized how every part of that country is suitable for producing Sheep under its own conditions, I had never realized the enormous contribution to the wealth of Australia the Sheep had made. In Australia there are over 100,000,000 Sheep. In the coast areas, where they have rain and rich pasture, the dividend from the Sheep is the fleece taken off annually and the lamb, which is sold for meat. As one travels toward the interior the revenue from the sale of lambs becomes less and less important. But the Wool becomes better and better in quality. The Merino Sheep is the foundation of the Australian economy, and in the year 1937, the last year for which I have the figures, exports of Wool were valued at £62,000,000 (Australian), approximately \$250,000,000. I have looked at my watch and find I have time only to mention New Zealand.

I should say the most beautiful country that exists anywhere is New Zealand. More than any country I have seen, it suggests Blake's phrase,—a green and pleasant land.

And in many ways its people are trying to make of it a New Jerusalem. I think I was most impressed by the extent to which scientific agriculture had been employed to make a rich land richer. On my first day there I drove through a district extending about 100 miles South from Auckland. In that district 20 years ago most of the land was covered with heavy brush, and it supported about one Sheep to the acre. In the intervening 20 years nearly all the land has been cleared and the soil top-dressed with super-phosphates. As a result that whole district now carries 5 Sheep to the acre. The Sheep never leave the pastures. Their climate is so temperate that no shelters are required. The Sheep are turned into the pastures and left there until they are removed for sale.

Other districts are still more fertile, and carry as many as 10 ewes to the acre. The lamb yield is 120 per cent. So from a single acre of land the farmer gets an annual dividend of 10 fleeces (from the ewes) and the sale price of 12 lambs. An enormously rich land. And it sells at corresponding prices. In the Hawkes Bay district I drove for 80 miles through land which I was told was worth £70 to £80 per acre (New Zealand). That naturally made me pretty envious when I reflected almost the best land in Canada, East or West, can be bought for \$100 per acre, and that the average value of improved farm land is perhaps not more than \$50 per acre. However, the fact that the land does sell so high is the chief factor in adjusting the balance between us, because the farmer there must include so heavy a charge for overhead. And they have a problem there which derives specifically from the rich productivity of the soil. At various periods,—several times during the last 50 years,—twice during the last 20 years, they have had periods of speculation when land advanced to the most unreasonable prices. Because it was so rich they lost their sense of value. I was told that during the depression, when conditions forced a readjustment of values, it was necessary to deal with as many as 12 or 13 mortgages on a single piece of land. This meant the land had changed hands 12 or 13 times in a recent period. The only solution was to wipe out that portion of the debt which the produce of the land could not carry.

Before closing I wish to say a word as to the way of living of Australians and New Zealanders as compared with that of Canadians. On the whole, although I was impressed immediately with the richness of those two countries, I quickly came to the conclusion that the lot of the person who gets born in Canada is much better than that of the Australian or the New Zealander. Perhaps the chief reason is that these are still very young countries as compared to Canada. In 1850 Australia had a population of only 400,000 and New Zealand of 30,000. These countries have actually been developed in about two generations. One is impressed by how much they have accomplished in so short a time.

But in our living habits, we are much ahead of them in standards of comfort. Their houses are well built and substantial, but their exteriors, on the whole, are poor. As to the interiors, I would say they are much behind us in respect both of taste and of comfort. We arrived there of course in the winter time, and our first introduction to those houses was under the least favourable conditions. But I was nearly frozen wherever I went. They have no central heating anywhere. I should modify that perhaps to this extent, that in two or three, not more, of the hotels, they have introduced central heating, but in all the other hotels I visited, and in the houses, the only method of heating is a fireplace in one or two rooms. When one starts for bed one is shown into a room that has never had any heat in it from the time the house was built. I can still recall and shiver at the way I forced myself to take off my clothes in those bedrooms. I have never felt cold more than I did in the houses of New Zealand and Australia. ,

A similar comparison applies to a great many of the minor refinements. Their plumbing recalls the plumbing common in this country 30 or 40 years ago. The pictures on their walls are for the most part rather crude prints. In furniture the comparison was most striking of all. I attended a fair at Melbourne where was exhibited furniture of Australian manufacture. I am bound to say,—and several Australians to whom I mentioned it agreed,—that it left much to be desired, both in respect of taste and of comfort. In the matter of clothes, boots and shoes, prac-

tically everything that enters into the modern comforts of life, I considered that their standards were below ours. While there I realized for the first time the enormous stimulation Canada derives from a very rich neighbour, which to a large extent sets our standards in such matters.

The chairman has just informed me that my time is up. I am very sorry my talk has been so sketchy and inadequate. But inasmuch as I have just made some comparisons rather to the disparagement of Australia and New Zealand, I would like to repeat as my final word, that the heartiest welcome I ever received anywhere, and the warmest hospitality, were those which I received in Australia and New Zealand.