

(October 31, 1932)

A Western Viewpoint of the Imperial Conference

BY W. L. MAC TAVISH.

PRESIDENT CHALMERS:—The Canadian Club of Toronto is very glad to have as its guest to-day Mr. W. L. MacTavish, editor of the *Winnipeg Tribune*, who will speak to us on a Western viewpoint of the Imperial Economic Conference. Mr. MacTavish is thoroughly well equipped to discuss any national problem from a Western viewpoint. He has been twenty-four years a newspaperman in Western Canada. Before becoming editor of the *Winnipeg Tribune*, he was editor of a paper in Saskatoon and editor of another paper in Regina. It seems very difficult to believe that a man of Mr. MacTavish's vigorously youthful appearance could have been a journalist for over twenty-four years but it is nevertheless true and, if Mr. MacTavish's youthful appearance would seem to deny the statement, I can assure you that he has got older every day and to-day has added another year to his number. This is his birthday. He has attained an age of discretion to which your chairman can only aspire. Mr. MacTavish is a product of the Presbyterian manse. I believe it can be proven statistically that the sons of clergymen and certainly the sons of Presbyterian clergymen have twenty-eight times as good a chance of making good in life as the rest of us. I would like to know what it is in the case of Mr. MacTavish for not only his father was a clergyman but his grandfather before that. As editor of the *Winnipeg Tribune*, Mr. MacTavish has been closely in touch with affairs in Western Canada for a number of years. The *Winnipeg Tribune*, as you know, is one of the very strong,

aggressive group of Canadian papers published by the Southams. Mr. MacTavish has been in nearly every part of Canada and, in addition, has visited every country in Europe and has gained a national and an international background which, I think, shows in the columns of his paper. We appreciate very much the fact that Mr. MacTavish made this trip to Toronto solely for the purpose of addressing the Canadian Club. The executive of the Club felt it would be very desirable if the members could have a Western point of view on the Imperial Conference and in trying to determine who would be the best person to give that viewpoint we selected Mr. MacTavish. Mr. MacTavish.

MR. MAC TAVISH:—Mr. chairman, gentlemen, and might I address also the audience of the air, I wish, at the outset, to thank your chairman for the very kind and somewhat flattering introduction and also for the honor you do me in asking me to speak to you to-day. We, in the hinterlands, of course, regard Toronto as the cultural capital of the Dominion and an invitation to speak to the Canadian Club is the equivalent of a command performance. I do deeply appreciate the honor.

Let me say, at once, I am not appearing before you with any delusion that I am an orator or even that I belong to that class of individuals known as "public speakers." Oratory has been defined by Stanley Baldwin as "the harlot of the arts," and, in that sense at least, I am not a ladies' man. Rather I am here because I feel contact between East and West is not so close as it should be, and I welcome the opportunity of expressing a western viewpoint before a Toronto audience.

First it is necessary, in order to lay the foundation as it were, to tell you something of conditions in the West. I do not know that I can do better in this respect than quote the words of a Western member whom I heard speaking in the House of Commons on a recent date. This man was not trying to paint the condition of the Western farmer in a favorable light. On the contrary, he was endeavoring to base a case against the government of the day on some

facts which, he considered, showed the farmer to be in a desperate position. Let me quote what he said.

"Take the case of a farmer on a half section of land. I am going to pick a good farmer on a good half section who grows good crops. On the half section of good land he will probably have three hundred acres under cultivation. One hundred acres that will be under summer fallow, fifty acres perhaps devoted to growing feed for his stock and one hundred and fifty acres devoted to producing a marketable crop, say wheat. He is a good farmer; he is going to get a good crop; we will give him an average of twenty bushels per acre—I think my Western friends will say that is a pretty generous average. So from that one hundred and fifty acres he will reap three thousand bushels of wheat, which at present prices will bring him about one thousand dollars. He does most of the work himself; he has no time to do much other work than growing his wheat, but he keeps a cow or two, raises a couple of calves and a few pigs and chickens, and he or his wife keeps a little garden. We will value all the other produce of the farm at three hundred dollars a year, which, I think, is a pretty generous allowance at prices now prevailing. His total income for the year would be thirteen hundred dollars. What are his expenses? Taxes, two hundred dollars; interest on his debts, two hundred dollars. He threshes wheat and other grains which he produces for feed at approximately two hundred and fifty dollars which will include the feeding of the threshers. We are not going to allow him much help; he will have to do all his work himself except during the harvest time, so we will allow him fifty dollars for harvest wages; for repairs to machinery, oil, etc., one hundred dollars; binder twine fifty dollars, and depreciation on his implements, stock and buildings one hundred and fifty dollars. Then he will have to keep one hundred and fifty bushels for seed, worth say one hundred dollars, for that wheat has to be cleaned. Total expenses, therefore, are eleven hundred dollars, total income is thirteen hundred dollars, leaving for his years work the munificent sum of two hundred dollars."

Now that was presented as a gloomy picture of the condition of farmers in the West. Accepting it as accurate, what do we find? This farmer had most of his living off his own farm. He had his house rent free and taxes paid. He was able to pay the interest on all his debts. And, by the way, you may notice by the morning paper to-day that more than sixty-two per cent of the farmers in Western Canada are free of mortgage debt. He was able to allow one hundred and fifty dollars for depreciation on his implements, stocks and buildings. He was able to pay all his operating expenses for the year. And at the end of the year he had a surplus of two hundred dollars. That leaves as a matter of course no particular margin for luxury. It does not permit the purchase of many Lincoln or Cadillac cars. But, nevertheless, the farmer is getting by not too badly. How many industrial workers in the city, how many white collar workers, how many small merchants or small manufacturers, are making a better showing under present conditions? My own studies of Western conditions, which I may say have extended over a period of more than twenty years, impel me to believe that this is rather below than above the average standard for farming conditions in Western Canada. Within the past six weeks I have made another of a series of extended tours throughout the West to bring my impressions up to date. I do not want to express myself either too optimistically or too pessimistically concerning the conditions I have found, but, frankly, I must say that I was delighted with the many evidences of increased stability in Western farming. A veritable transformation has taken place within the past two or three years on the prairies. It probably cannot be better expressed than to remind you that three years ago there were a good many farms in the wheat-growing area whose boast it was that there was not a living thing on the place apart from the farmer and his family—not even a dog in the barnyard. To-day I do not think a farm could be found in any of the three provinces in which there is not sufficient livestock at least to provide for most of the wants of the family in the way of milk, butter, eggs, poultry for the table and meat throughout the year.

Any of you who were farmers in the days of your youth know that it is not a pleasant thing to arise early on a winter's morning and stumble out through the snow to clean up the stable and milk three or four cows. It is hard and not by any means pleasant work. It is easy to understand that when the farmers from Ontario and other parts of Eastern Canada or from the United States or Great Britain found they could make a splendid income in the West by growing wheat alone, and could spend their winters travelling and enjoying life, then the idea of installing cows in the stable and chickens in the barnyard had no particular appeal. That day has passed, at least for the present. Conditions have changed. No accusation of laziness lies against the men who found that condition existed and profited by it, and they are showing to-day that they are just as able to farm well, and milk the cows and look after the brood sow, and keep a chicken run healthy as the next man. The vegetable garden has resumed its proper place in the scheme of things. I was in farm houses in North Saskatchewan less than a month ago where the housewife had a fruit cellar full of preserved wild fruits, where the vegetable cellar is filled with every kind of vegetable useful in the winter months, where there are chickens and ducks and geese and turkeys in the barnyards, a dozen pigs rooting around, a dozen milk cows providing cream for the creamery, calves fattening up for slaughter or sale, and where the farmer having sold a thousand bushels or so of his wheat crop for immediate cash necessities has five or six thousand bushels stowed away in his granary awaiting sale in the winter months.

There are many towns in Northern Saskatchewan and Northern Alberta where a Saturday night these days gives the impression of a street fair, with every farmer and his wife crowding into the stores and supplying necessities for which they have been waiting probably for months. I do not want to make this picture too rosy. I am fully aware of the difficulties and handicaps the farmers are facing, some of which I intend to refer to later. There is a small area in Southern Saskatchewan which has had crop failures

for four years in succession. It will be necessary for the Saskatchewan Government to dispense approximately a million dollars in food, clothing and fuel relief this winter—though that figure compares very favorably with the eighteen million dollars it was necessary to hand out for this purpose last year. Not every farmer either, no matter how great his desire, has the means to put his farm on a self-supporting basis at the present time. Nor is there, with the low price of wheat and the low price of other farm produce at present, any such great influx of new wealth into the country as formerly marked the fall and winter season. I am aware of these difficulties, and if I hold up before you the brighter side of the picture—the fact that the Western farmer, on the whole, is working himself into sound shape, is getting by nicely and making a fair living, with at least enough money for his actual necessities, and a steadily improvement prospect for the future—it is because I believe you in Eastern Canada are taking and have taken somewhat too gloomy a view of Western conditions. That is natural perhaps. You have heard much about the drought of last year, and as one who has toured the entire drought area I can tell you it was truly a picture of desolation. It looked then as if it would take years to get the land back into production. You have heard, too, a great deal from some of our political farmers about the sad place Western Canada occupies in the scheme of things at present. As you doubtless all know, we have our troubles in respect to political farmers and other earnest agitators in the West. We have a large number of agitated gentlemen much displeased about this and that. We have more than our share of the sons of the wild jackass. Fortunately perhaps for the West and for Canada as a whole they are far from unanimous as to the causes of their displeasure. The West is in the position of a famous English clergyman forced to stay overnight at a country inn. In the morning the landlord asked him how he had slept. "Not so well," he replied. "If the fleas had been unanimous they would have pulled me out of bed."

It is natural enough you should get a gloomy view, but

I wish I could have taken you with me to see this year, forty-five bushels to the acre coming out of the threshing machine in some points in Northern Saskatchewan, and to see the full barnyards and full fruit cellars and vegetable cellars, and to talk to some of the downtrodden farmers about whom the agitators are so much concerned. It would be, I think, an eye-opener to most of you.

I believe the Western farmer is meeting his difficulties. I believe that so far as lies within his individual power he will overcome his difficulties. I believe the lessons of the last couple of years will have a lasting benefit on Western agriculture, and that while perhaps we cannot look for the industry to produce wealth on the vast scale of the boom periods, at least it will be solidly based and enduring.

If I have said so much about the improved position of the farmer on the prairies, it is for the purpose of putting what I am about to say in its proper perspective. Our wheat outlook is not promising. I shall try not to bore you with statistics, but the fact is, the world is producing to-day somewhere about two hundred million bushels a year more than it requires. Every country on the surface of the globe, almost without exception, increased its wheat acreage during the past three years, and yet three years ago the danger of over-production was clearly apparent. Canada has been one of the principal offenders in this respect. Along with Australia, the Argentine, Russia and other exporting countries, we have been increasing our acreage with remarkable rapidity. At the same time, the principal exporting countries have seen their markets dwindling. They have dwindled not only because of the high tariff walls erected in various countries against imported wheat, but because these tariff walls have operated to increase the acreage within the country so protected. Even Spain, to give one example, has increased its wheat acreage by more than a million acres, while even such a tight little country as Holland has found forty thousand acres additional to put into wheat. The result is over-production on a large scale. In some forms of industrial production we can truthfully say the difficulty is under-consumption rather

than over-production, but in regard to wheat the normal consumption proceeds but the production has exceeded it by leaps and bounds.

A wheat conference has been suggested, that is to say a conference of the principal exporting countries. I see no value in it. I do not believe that an agreement between the governments concerned to try to effect a decrease or reduction in acreage would be of any substantial benefit. The reason is they would find it impossible or almost impossible to have the agreement translated into action by the individual farmer on whom the final decision would rest. I am afraid the law of the jungle, the survival of the fittest, must ultimately obtain. In that battle of tooth and claw Canada is probably as well-equipped as any other nation, probably better than most, to survive as a wheat producer. Note that Canada this year had an average yield per acre of seventeen bushels against the twelve nine-tenth bushels in the United States. But to carry it out on that basis means unprofitable prices and a long and anxious period during which our wheat crop would represent little or no wealth to our producers.

The farmer in Western Canada can make, as I have already shown, a slight profit on fifty cent wheat. If the price falls very much below that there will be no profit whatever. He can be very sure that, at the same time, however, the farmers in the Argentine and elsewhere in the wheat producing countries can find no profits where the Canadian producers find none. That is the condition; and from that you can judge how large the recent Imperial Economic Conference bulks in the judgment of those concerned about the future welfare and prosperity of the West. All of Canada, of course, is interested in and will be benefited by the concessions in the British market the Canadian representatives were able to gain for Canadian products. But to no section of the country, I believe, will they be ultimately so important as to that section lying west of the Great Lakes. In discussing the Imperial Conference I will confine myself mainly to the advantages to be derived by the Western farmers. We have, of course, a varied pro-

duction in Western Canada as well. In the concessions secured for Canadian copper, for example, Manitoba, in the Flin Flon and Sherriot-Gordon mines, has a very considerable interest. We have our interest, too, in the rate secured for fish. But our principal advantages will be derived from the preference on wheat, bacon, eggs and poultry products, milk and dairying products, and the removal of the restrictions on the importation of cattle.

The Imperial Conference has, as all of you know, become a subject of acute political controversy. I am fully aware that the rules of the Canadian Club do not permit of political, or rather partisan, discussions, and in accepting your invitation to appear here I am duty bound to abide by these rules. I shall endeavor, to refrain, therefore, from saying anything which could be construed as favoring one political party or the other, and if I do appear to accept as fact, matters which may be controversial in a political sense, I must ask you to bear with me and to accept my assurance that I am merely stating my own views and not asking you to accept them.

I had the privilege of watching the developments at the Imperial Economic Conference as closely as any outsider could watch them. I had reasonably close contact with both Canadian and United Kingdom delegations, and with their advisers. My opinion, for what it is worth, is that a tremendous step was taken in the development of Empire trade, and through the development of Empire trade, in opening trade channels throughout the world. But for the moment we are concerned chiefly with the effect of the Imperial Conference upon Western trade. The vitally important thing, I believe, is the preference given Canadian wheat—preference of two shillings a quarter or approximately five or six cents a bushel. I do not expect that will be reflected, at least not to the extent of more than a cent or two, on the price the Canadian producer will receive for his product. The important thing is that it gives him a reasonably assured market for some two hundred and fifty million bushels annually of his production. The six cent preference is a sheet anchor to windward for the West in

the economic storm through which we and the rest of the world are passing. It does not mean that we can sell our wheat, but it does give us a reasonable assurance that we can sell a very large part of it. The British market as I have said can absorb approximately two hundred and fifty million bushels a year. This year we have a good wheat crop in the West; not as large as was estimated earlier in the fall, but still a good wheat crop. It amounts to about four hundred million bushels for Canadian use and for seed next spring. That is to say we have ninety million bushels more to sell than the British market can absorb. But the Orient will want some, France, Germany, Holland and other European countries will always want some to mix with their own wheat for milling purposes and, generally, we should be able to sell most if not all of the wheat produced this year. We have a top quality product. With lowered threshing costs, with lowered labor costs, with the farmers getting most of their living off the farms, even a price of fifty cents will represent some profit. This is for the immediate concern.

When we consider other years, however, the coming years in which the struggle will continue between the exporting countries for markets for their wheat products, then the value of the preference we have obtained in the British market assumes its true perspective. It will help us out tremendously. Even more important perhaps in the long run is the assured market we have for Canadian bacon, dairy products, cattle, barley and other field crops. We need, of course, every wheat exporting country needs, to reduce its wheat acreage. And you cannot tell the farmer to reduce his wheat acreage unless he can use that acreage profitably in other directions. That is why the prospect of a solid market for bacon and other meat products, and for Canadian cattle on a wider list than has prevailed during the past two or three years, for poultry and dairying products and all that sort of thing, means so much to the West. It means much to Eastern Canada too, I am not going to seize all of its advantages for the West, but it means even more, I believe, to us in the West than it does to the Eastern farmer.

The Minister of Agriculture at Ottawa estimates that possibly forty million pounds of bacon can be shipped next year to Great Britain. Do you realize that that means the employment of possibly an additional three hundred thousand acres for barley and other feed crops? The British market is now open also for Canadian barley on the basis of a substantial preference. Judging by the average United Kingdom imports of barley we should be able to turn another two million acres of our wheat producing land into barley and make a better profit on them.

In brief, let me put it this way: If every Western farmer could find it profitable to turn another fifty acres of his wheat land into the production of feed and forage crops for livestock, poultry, dairying and other products, it would solve the question of our surplus of wheat production to a very considerable degree. It would reduce our wheat acreage by one-fifth. We would then be producing only approximately sufficient wheat along with Australia to supply the reasonably assured market. That will not come about in a day or year of course. It does, however, give us something solid to hold on to. And that is the chief benefit the Imperial Conference agreements will confer upon the West. That is the practical aspect of the trade agreements more especially from the Western point of view. And now, since my time is drawing on, may I devote the remaining minutes to the Imperial Conference itself. That is a fascinating subject whether you take it from the historical point of view or the mere story of the Conference itself. I do not know any more interesting study in the development of political currents than the history of the Imperial Conference and the reciprocal preference idea. Go back to the Colonial Conference held in Canada in 1894, called by Sir MacKenzie Bowell. By the way, since this address seems to be becoming altogether serious, Mr. Bowell's name reminds me of one bit of bad punning by the late Mark Twain. When he was introduced to Sir MacKenzie Bowell on the streets of Montreal one day, he said, "Ah yes, Sir MacKenzie, are you by any chance related to the Bowells of Compassion, Ohio?"

The Conference called by Sir MacKenzie, held in Ottawa in 1894, passed a resolution which, I think, may be taken as the starting of the discussion of Imperial Preferences. Its first paragraph which might have been passed by the recent Conference at Ottawa read as follows: "That this Conference records its belief in the advisability of a customs arrangement between Great Britain and her colonies by which trade within the Empire may be placed on a more favorable footing than that which is carried on with foreign countries. And that until the Mother Country can see her way to enter into customs arrangement with her colonies it is desirable that the colonies take steps to place each other's products, in whole or in part, on a more favorable customs basis than is accorded the like products of foreign countries."

Far-seeing Canadian statesmen, you will note, were first to bring forward and to advocate the policy of Imperial Preference. The movement started by Joseph Chamberlain in Great Britain—and brought to a head so far as the United Kingdom is concerned when his distinguished son was given the honor of signing at Ottawa the trade agreements reached on behalf of Great Britain—did not follow until several years later. I cannot attempt in the time at my disposal to follow the development of this trend. I am sure that any of you will find it an interesting and in fact a fascinating study if you undertake it.

As for the recent conference I can tell you in a word my impression of it. I believe it was successful beyond the hopes of those who participated in it. I believe it will profoundly influence the trend of both political and economic development in our times, and will work out to the advantage of the Empire countries in every respect.

I am sure when the statesmen of the Empire met that the United Kingdom delegation had no idea of accepting the so-called Russian clause. I am equally sure that the Canadian statesmen had no thought of accepting the so-called tariff board clause. But they met and one thing led to another. At the conclusion of the Conference they found that they had been carried under the pressure of

public opinion much further than they had originally intended to go. All of them left the Conference, I believe, in some little trepidation of spirit, wondering if their respective peoples and parliaments would endorse them in going so far.

They faced, these statesmen of our Empire, tremendous handicaps and difficulties at Ottawa, but bigger than all these handicaps was the pressure behind them—that fact that upon their deliberations were centred the thoughts and hopes and prayers of many people throughout the Empire. That was something which could be felt at Ottawa almost as a physical force. The people of the Empire were calling upon them to give light and leadership and renewed hope and confidence to the world, and failure under those circumstances would have been impossible. To the West, I know, failure to reach an agreement would have been tremendously discouraging and disheartening. The report of dissension in the Conference, the suggestions that the permanent interests of the Empire were injured by the manner of discussion at Ottawa, I think you can take with the proverbial grain of salt. I had the privilege of fairly close contact with the British and Canadian delegations during the month of their discussions, and I feel sure that I am on safe ground in saying that at no time were there really strained feelings anywhere. There were plain words, of course; there was close, hard bargaining, to which I see no objection. "Straight flung words and few," to quote Rudyard Kipling have always marked the outstanding British statesmen of whatever Empire nation they come. There were at Ottawa blunt statements of principle and purposes. But that there was at any time any distrust or any belief that unfair practices were being resorted to, I do not believe.

As for the result of the Conference, I have told you how it has given new hope and confidence to the West in a time when the future appears somewhat uncertain and difficult. I believe that is the effect throughout the Empire. A new Empire united in economic strength is coming into being. I am merely an observer, not a prophet, but I am

convinced this Ottawa Conference has set forces in motion which will be widened and broadened and developed as the years pass, and which will operate through the years to bring into being a prosperous, united Empire, setting all the world an example of co-operative effort for the welfare of mankind. As Mr. Baldwin said, the foundation has been laid. It is for us and future generations to build on it a fair and enduring edifice.

PRESIDENT CHALMERS:—Mr. MacTavish, when we invited you to come to Toronto to speak to us—to give us something of the Western point of view of the Imperial Conference—we had only one cause for disappointment, that was that the subject seemed too deep to hear you discuss Western conditions. You have very effectively erased that disappointment by doing both. We appreciate your address and I think we will all gain a great deal of value from it. We wish you many years of service to Western Canada. We thank you.