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Western Wheat and World Affairs

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MR. FERGUSON:—Mr. President, gentlemen, the kindly remarks of the chairman today give me some assurance that the remarks I may have to make today, while they may not meet with the whole hearted approval of my audience will at least hold some interest for them.

We have some pretty queer ideas out West and some of you perhaps will feel, when I have done, that mine are pretty queer too, even if they have, today, nothing to do with social credit, rubber money or some of the other ills that Western flesh is heir to. We have some people out west, you know, who are ardent admirers of Benjamin Franklin when he said, if he did say it, that some people pay no interest on principle and others have no interest in paying principal. We have those and we have others. We're all a bit queer, which is why there might be something in the idea of getting a westerner to talk to you about what the world looks like through western eyes, and that is what I propose to do today.

It is not a bright or pleasant talk. We out West are going through pretty hard times; and like most people we feel that it is somebody else's fault. A common failing, but we, at least have worked out some reasons why we feel that way, and that is why I propose to give you a few reasonably accurate remarks about some aspects of the wheat problem, and then tie them up with the events of the past that have made the world of 1939 as ominous as it is. There is a connection between them that is clear and distinct. It is a sad story, and it becomes even sadder when placed in relation to two and a half million Canadians who

live in that part of the Dominion that is bounded on the East by the Red River and on the west by the Rockies.

I've just come from the foothills of the Rockies. Two weeks ago I stood on the hills above Calgary and watched the sunset glowing on the snow covered peaks 70 miles away. Away to the east stretched the bleak prairie, as grim a picture in winter as any of you have seen. Yet there is something about these Canadian steppes that lays hold on a man's heart, and if some of us feel anxious and worried about the future it is because of that emotional hold the country has on us, an emotion that some day will be transmuted into a love that will brook no other affection in our hearts.

That time has not yet come. Out there we live in the Canadian melting pot, and the prairie crucible has not yet blended its contents. It is hard for us to remember that out of the 2,400,000 people on the prairies only 49 per cent. are of British stock, and that of these substantial numbers are from the United States.

I was talking to one of these not so long ago, just after the European crisis, and I was telling him, as the crisis became more and more acute, how I became more and more conscious of the pull and strength of all the traditional bonds of blood and family, for I like 275,000 other prairie dwellers was born in Britain. My friend said he supposed I would feel that way. Then he paused and said: "You know I don't feel that way. I never heard of the British Empire till 1916," which was the year when he came as a boy to Canada. He has an intellectual conviction of the value of the British Commonwealth, but that is not reinforced in his case by the emotion that marks those of us whose links with Great Britain are closer.

We can, I think, never appreciate exactly what our problems in this country are if we do not remember that less than half the prairie people have British blood, and that about 330,000 of them were actually born in continental Europe, and that blood strains such as German, Ukrainian, and Scandinavian make up almost 30 per cent. of our prairie total. Such facts condition our thinking just as your closeness here to French Canada conditions yours. But we are all Canadians and must work out our problems together.

These problems are diverse and numerous, and I am not going to talk to you about all of them. I am aware, as I have told you, that some of you consider a little queer suffering from the effects of too much cold or too much sunshine . . . or did I hear someone say moonshine. For that reason I want to link up today what many of us in the west think about our wheat problem in relation to the vital issues of war and peace that becloud our thoughts today.

We out west are wheat growers, and this conditions our thinking about some of the factors at work today in the field of world affairs. Our attitude is colored by our occupation, and this may be the reason we sometimes say things that you, by the St. Lawrence, resent. Now there are various ways of dealing with resentment. One is to cast all the offenders into jail, but I do not think you would want to do that to us—at least not to all of us. Another is to make a great and tolerant effort to understand how we get that way. I am here today to try to help you get that understanding.

Let me begin by talking wheat and then move on to the field of foreign policy. You will find that our thinking has more coherence if you place it in its economic framework, and then, perhaps you will be ready to attack the next person you meet who dismisses westerners like myself by saying we are disloyal treacherous rogues. We're not. We're just young fellows trying to get along in a difficult world; and we think some of our trouble is the fault of somebody else —at least it looks that way to us.

Now for the wheat, and watch out for statistics. Out west we hurl statistics at each other day and night. We like them, even if some people do say we juggle them. To begin with you must remember that we are one of the last great frontiers, the last in fact to be opened up in the final years of the greatest period of expansion that the world has ever known, a period that ended with the war. You know the broad details of the movement of population—how immigrants came from Quebec, Ontario, the United States, Great Britain and Europe. You know how the Government, the steamship companies, the railways, the bond houses and the mortgage companies all cooperated in

that great adventure. And you will know also that if we had to do it again we would do it differently.

Some sections of the prairie would not be opened up at all. Others would be settled differently. Some of the railway lines would not be where they are today. Others would not be built at all. We might not incur the debt we did, and we might not agree to pay the same interest rates. We should limit ourselves sensibly in many a way. But those were the days when we had a superabundance of vision. The twentieth Century belonged to Canada and many a mistake was made.

I know no better illustration of the way men's minds worked about Western Canada 50 years ago than to cite a speech made in the House of Commons by no less a person than the late Sir Charles Tupper. He was talking about the illimitable wealth of the prairies. He explained the matter quite simply to the House.

I quote from Hansard of 1884:

Sir Charles Tupper: ". . . . Let me ask the attention of the House for a single moment to a few figures which will indicate what the capabilities of that great country are in regard to the production of wheat. One hundred thousand farmers each cultivating 320 acres of land—has any Hon. member made the calculation of what they could produce?"

Sir Richard Cartwright: "Yes."

Sir Charles Tupper: "I am glad the hon. gentleman has done so. I am glad his attention has been drawn to the fact that 100,000 farmers cultivating half that quantity each and taking that product at only 20 bushels to the acre instead of 27 or 30, which is the average in the North west in favorable years would give 640,000,000 bushels of wheat, or fifty per cent. more than the whole United States produce today. You have only to look at those figures for a single moment to see what the future of Canada is, to see what a magnificent granary for the world has been placed in our Canadian North west; and when you remember we have six belts running through that fertile country that would give 320 acres each to 100,000 farmers, you can understand to some degree what a magnificent future awaits us in the development of that great country."

I do not quote Sir Charles Tupper to bring the past of that great Conservative Statesman into disrepute. I do quote it in order to show the back-ground of men's minds in the days when Western settlement was beginning. Sir Charles believed that we could grow annually 3,840,000,000 bushels of wheat on the prairies, and the thought never seemed to have crossed his mind that we could ever have any difficulty in selling it. But it is worth remembering that in 1938 when the population of the world was greater than it was in 1884, the whole world (excluding Russia and China) produced only 4,400,000,000 bushels of wheat, which means that Sir Charles in dealing with the west talked nonchalantly of our growing enough wheat to feed the world.

We have of course never reached Sir Charles Tupper's totals. In our best year (which was 1928) we grew about 530,000,000 bushels. Of that Canadians ate about 125,000,000 bushels. We had a good deal of trouble in disposing of the rest of it. Some of it hung over into 1929, and you will remember how acute the problem of our wheat carryover became in the years that followed.

I am not going into any lengthy discussion of our wheat problem. It is still with us. In the unhappy world of today it is likely to be with us for a long time. But what I want to suggest to you is this: it is that the fathers of Confederation and those who came after them thought in terms of a world of constantly expanding trade and population. What they lived in, and what they saw ahead of them, was (though they did not use the term) an international world, a world in which there was, broadly speaking, freedom of trade, security of trade, security of investment and security of property. They interpreted it, not in terms of internationalism (that term only came into use in post war years) but in terms of British Imperialism: and they were not far wrong, for in those, the heyday of Sir Charles Tupper and his peers, the British Empire, its possessions and its strength, stood as the guarantor of the world's freedom to do these things—to trade freely, to advance beyond measure our economic prosperity. The British navy, and the freedom of the seas it gave to the world, lay at the root

of that international security which then existed: and it was that that permitted Sir Charles to envisage those six tiers of fertile prairie land, each one with its 100,000 farmers each tilling his 320 acres, all growing that collossal total of wheat, those three and a half billion bushels of it that the world was going to buy so greedily every year it ripened and came to harvest.

It doesn't matter, looking back at it, that Sir Charles did not know the hard facts about soil surveys, the grey clay belts, black soil areas and so on. He did not know about the semi-arid Pallisser triangle, he did not know himself how much arable land was there. He could not know that in the areas even now open to settlement there are only 21,000,000 acres in wheat, and that on some of it wheat should not be growing at all. He could not tell these things. What is important is that his idea forms the background of our western development, that that was the spirit of the age, an age of growing prosperity built on the security that followed a stable period of politics in which the greatest single power factor was the British Empire and all it stood for,—and it stood for peace and freedom to traders.

The story of that Empire and how it rose to world power and of how it maintained that power is one of the most thrilling chapters in the history of the world, and as we look back on it we can see clearly enough the guiding principles upon which its greatness lay, and how it could guarantee a trading world. Today I can do little but cite the main principles that guided successive generations of her statesmen, and historians will tell you how unerringly those major principles were followed. They were three. There was, first, the domination of the Narrow seas about her coast. There was, second, to see that the Low countries did not fall into hands that could do ill to England. There was, third, the vital need of preventing any rival power from establishing a hegemony on the continent. A moment's thought will show how these principles hung together, for without the security of the Low Countries the Narrow Seas were threatened; and if there were no security in the Low Countries that secondary bulwark of Britain's defence might, indeed inevitably would, fall into hostile hands.

So it was that British foreign policy, at least from 1688 onwards has been directed to the maintainance of a balance of power in Europe which prevented more than anything else, the development of any dominant power on the continent. In that lay the secret of British power, and in that too lay the power to develop a trusteeship in world affairs which permitted the enormous expansion not only of the British Dominions overseas and of the British Colonies, but of the possessions of every power. In that policy lay the great possibility of developing Canada as a great inland empire of wheat.

Out there on the prairie we trade with the world or we perish. We have our aberrations but the western farmer knows that one fact more surely than anything else, and the best of them will give up everything else to achieve that possibility. They know it is the only shield and buckler they have.

That, of course is why the western farmer is a low tariff man, a free trader. Most of them, though sorely tried in more than one way by recent events, are Liberals, and most of them, if they no longer spell the word with a capital L spell it with a small one and are content. The farmer sells wheat in a world market or not at all. It has been driven home to him that he should be able to buy in that world market, too, as cheaply as he can and he hates high tariffs like nothing else on earth.

This, of course, is old stuff to you. You know it, and I am a little ashamed to come here and say it so solemnly. Nevertheless it will explain much else as I proceed with my tale which now has to do with the developments that took place in the post war world.

Some of the greatest minds in England, when the war was over, realized that the game that had been successfully played so long now presented very great difficulties. Other great powers were arising to challenge the power of England, and these English thinkers set about to devise some new system which would embody the main principle which had permitted the vast economic development that had made the 19th century, and the early years of the 20th the most prosperous the world had ever known. In that realization

of breakers ahead lay the foundation of the League of Nations.

What, in essence, was the League? It was, to put it simply, an attempt by Great Britain to pass over its trusteeship to a committee, each member of which would be equally charged to preserve those conditions of security and freedom of trade which had brought about the halcyon age in which all of us over 25 years of age were born.

Now, if you want to know what Western Canada thought of the League, let me commend you to the files of the League of Nations Society at Ottawa. There you will find that, from the very beginning prairie dwellers were for the League. Some blind instinct (and perhaps a little coaxing from the Winnipeg Free Press, if you will excuse me) led those farmers to see that the League would be the salvation that up to then the British Empire had been. They thought the world of the Empire, but they saw that conditions were more complete and difficult and they thought they saw too a new world coming to redress the balance of the old. Here was added protection, added security and inevitably a growing market for No. 1 Hard, the finest quality wheat ever seen on the world market. Small wonder these farmers were our best internationalists. They knew they had to cast their bread upon the water (in the form of wheat of course) if they wanted it to come back buttered on both sides.

Well, you know what happened to the League. I won't go into that, nor will I attempt to assess the blame for its collapse. We all have our varying interpretations of those events. But let me tell you of some of the facts as seen from the lonely farmsteads of western Canada. They saw, and to say they saw it with horror is not overstating the case, Great Britain at long last depart from her traditional policy of free trade and embark upon protective tariffs. That, to them, seemed the first step downhill. You remember those days too. You remember the crisis that evoked that policy. You know the desperate need that was felt in the England of 1931 to do something that would hold sterling up, that would readjust her national finances, that would bring back some stability to an economy already racked by two years of depression. We can understand all

these things, but out west it was treated pretty seriously. They knew out there what tariffs mean. They mean greater difficulty in reaching foreign markets. They mean restriction of foreign trade. To us they mean paralysis of trade, paralysis of our livelihoods and all we have. When Britain began to raise tariffs it seemed to us the beginning of a changed attitude in the world, that a closed system was being created that threatened an export area like Western Canada.

But that emergency tariff—it was called emergency you know—know also the reasons for it. There is Abyssinia, and the failure to impose effective sanctions upon an aggressor. There is Spain—and I do not need to point out the strategic difficulties which now present themselves to France and Britain because of the establishment there of Germany and Italy, and lastly there is Czechoslovakia, and the failure to present a broad and united front to an aggressor who threatened to dominate the Continent.

Don't think, please, that I am forgetting the other side of the picture, or forgetting either the real risks that attend the alternative policy had it been attempted instead of the course that was pursued. I know those dangers and those difficulties exist. But I mention them all only in order to bring back to you the problems which we, who live by the growing and export of wheat in this country, see lying now before us.

Not one of those steps, from Manchuria to Munich brings any real hope for the re-opening of world markets. All that they mean is the closing of ever new areas to peaceful traders like ourselves; and what distresses us most is to see that that movement is apparently acquiesced in by Great Britain, the great free trading country of the world, and so far we look in vain for signs that she is yet prepared to lead a movement back towards the only ideal by which we, out west, can earn our daily bread without being a burden upon you, who live down here.

Don't think, please, that sensible people out west like seeing the Dominion foot big relief bills. Don't think we believe a fixed price for wheat is any road back to sound economics. We know that they do not, that they are, at the best, palliatives. We know they are no permanent good,

that they present no solution. But we know, too, that the real solution lies outside the borders of Canada, that only in the re-establishment of world trade, through security, can the West regain the place it once had, the place in the world which its present economy was designed to serve. That place was made possible in our development period by the peace that was guaranteed, in part at least, by the British navy which kept the sea routes open. When war came, the West was urged by everyone to grow more and more wheat. We did so. New areas were opened up, new acreage put to the plough, and Canadian wheat played its part in the victory which, we felt sure, would be maintained for us, by a continuance of the same policies which had proved successful up to 1914; policies which, in the post-war world we hoped were to be maintained through the League.

But that world is now no more, and after eight years of a different policy on the part of the democratic powers which inevitably had to be the backbone of the new system of security, we keep asking ourselves questions of a most disquieting kind.

We look back at the traditional British policy of the last 250 years and we ask ourselves "Has it changed?" We find the answer is "Yes." We then ask ourselves "Why has it changed?" And, disregarding all the talk about ideological backgrounds and hatred of communism, distrust of Russia as a factor in a balance-of-power Europe, and so on, we find a possible answer in the fact that the British Birth rate is now falling rapidly, that scientists estimate the population of those famous islands will be well down towards 30 millions inside a measurable time. Has this fact, we ask our selves, been borne home to the present governors of Britain? Do they realize that British power is bound to decline? Are they now attempting, as slowly and as gracefully as possible, to abdicate from the position of world dominance which was Britain's up to 1914; for Munich, or so it seems to many of us, involves logically (that is, if its consequences are logically pursued) the abandonment of the attempt by Britain, the 250 year old successful attempt, to ride the balance of power in Europe.

We find no answer to that question, but we ask it with doubt and hesitation and grief in our hearts. For abdica-

tion, even a partial abdication, means much to Canada and particularly to Western Canada. If Britain should attempt to isolate herself, to become self-contained with her smaller population, what happens to us? And then we remember once more the imposition of the protective tariff in that country in 1931, and it reinforces our dread. The fact is, I suppose, that we're a bit scared.

And we begin to prepare ourselves for the need of adjustment to those new conditions if they become not a shadow but a reality. For it is apparent that, if the factors of a smaller British population, the complete absence for the past five or six years of any surplus of British capital available for export, the growing importance to the British of their home market, become permanent factors, then among the responsibilities that Britain will have to rid herself of is that of her connection with her overseas Dominions. That is why we believe that we should begin to prepare ourselves for these facts, and that is why we welcome the present movement now in its beginnings to establish in the field of foreign policy the same autonomy that has been established in our internal affairs.

We do not think that any right to neutrality even if clearly set forth, would be exercised. We know that, so long as Great Britain is prepared to lead a movement for the Re-establishment of that international world by which alone we can exist, Canada should stand behind her to the last man and the last dollar. But if—and it is still and IF —that should be no longer the case, then Canada must be prepared to do what Britain would want us to do—to clarify our position to the world at large, and say that we stand upon our own feet, for a self-contained Britain is a Britain which can no longer be the great clearing house of world trade. She would not want to be. That would be one of the responsibilities she would have to get rid of in a future in which she was no longer the dominant power in the world. And out west we would have to try to find new connections through which we could sell our wheat to a world which, we would hope, would still want it. It is not a prospect we like. We would rather maintain the world of yesterday if we can.

I must ask your pardon for presenting to you today this mixture of agricultural facts and foreign policy implications. It reminds me a little of the criticism made of Bertrand Russell's philosophy: when he got into trouble with his metaphysics, he jumped into mathematics, when he got involved in his mathematics he found the solution in a return to metaphysics. Thus I, in a humbler way, have described to you a little of the difficulties of our western farmers, and seek a solution in our foreign policy. When I find foreign policy is no help, I return to agriculture. But the fact is that, if a return to the traditional foreign policy of Britain is not possible, then we, out west, are done.

But, you may say, why go on growing wheat? Why don't you grow something else? This has been something that westerners have been working on ever since the depression first broke. The fact is that it is not as easy as it sounds. Mr. Taggart, the able minister of agriculture in Saskatchewan, has recently expressed his views on that subject.

In a paper before the December wheat conference held in Winnipeg, Mr. Taggart went in detail into the various propositions made about alternative farming practices in Western Canada. He does not mention subsistance or peasant farming as an alternative, and those of you who have seen the prairies know how difficult, over a large area, such farming would be. Subsistance farming is to become common practice it could only be maintained, if at all, in the north; and this would leave untouched the problem of the broad acres and big population in the much drier south country.

Mr. Taggart, discussing other alternatives, says that if acreage is to come out of wheat, it must go into something else; either coarse grains or ranching. If that area, he says, is to be entirely re-grassed, its carrying capacity in terms of animal units would be very low. This would mean that its carrying capacity for human population would be correspondingly low. If we were to withdraw as much as 8 million acres from wheat production (that is to reduce it by two fifths) it could only be done by reversion of very

large areas of country to range conditions, or by a percentage reduction of the wheat acreage on almost all farms. He goes on:

Following the first course would mean abandonment of railways, elevators, schools, towns, villages and farm homes in the area reverted to range. I need not pursue further the economic consequences of this course to the whole country; nor can we evade the fact that thousands of families would be deprived of their only means of earning their living and would be forced to seek homes and occupations elsewhere. If not, would Canada be willing and able to make provision for them?

Following the second course would seem less likely to bring about general economic loss, but this method of reducing acreage on every farm would fall most heavily on the largest farms, and these produce wheat at the lowest per bushel costs and would, to some extent at least, cancel any benefit resulting from higher prices due to smaller production. These facts all lead me to the conclusion, he says, "that the first and most persistent drive of western farmers and of all the people of Canada ought to be to sell more wheat rather than to accept the proposition that wheat sales should be permanently reduced."

Thus, you see, we can come back to the urgent, crying need for a free, international world in which to live. If it cannot be re-created, then Western Canada becomes, in a very immediate sense, your problem down here. You, who have loaned your money to help us create wheat, are going to lose that money—all of it. You, who have built industries and factories to fill our needs, are going to find your markets dried up. And, in this unhappy condition, you are going to have hundreds of thousands of westerners—I do not exaggerate—waiting on your doorstep looking for some opportunity to earn their living in other ways. It's not nice to think about.

Now the figures in the ledger are not all in a gloomy, direful red. We do not read them thus. There are signs and many of them that the day is not far distant when a front against totalitarian aggression will be formed, with the aim openly avowed of rebuilding a world which will

find a place for the Canadian prairies and its goods. Not least of these is the signature last year of the Anglo-American trade treaty, which showed for all to see the good intent of the British and American Governments towards the reopening of world markets. We read that treaty—and the Canadian-American treaty likewise—as a sign in the skies for good. It is not only a token, and an important one, of wider trade, it is a token also of the solidarity of the two most powerful sea powers in the world, whose interests all the way across the world and back are identical and who can, if need be, form themselves into the nucleus of a bloc that would attract enormous support. Of that I have no doubt—no more doubt, indeed, than I have in the fact that if the forces that now threaten the British Empire win out, the new empire that will rise in its stead will provide for the world a safeguard of those conditions essential to our security and prosperity in Western Canada. It will be an empire built and maintained by aggression, cruelty and military force. It will be an empire that denies every principle of freedom and liberty and expanding world trade. It will be an empire which ultimately will collapse of its own weight. But should it ever come into existence, it means the end of us out on the prairies.