

The Address—Mr. Castleden

I know there are some who will maintain that our trade situation was never better, and that the situation gives no cause for alarm. But it is the belief of the members of this party, at least, that the last depression through which we went was largely due to the failure in international trade throughout the world.

Our system of private enterprise—which is rapidly becoming a system of monopoly enterprise—was given a free hand in the 1920's and up to and during the 1930's. It led us directly into the demoralizing depression which most of the people of Canada have not forgotten. It is a matter of record that the only solution of which we have ever had experience for a depression of that kind has been the preparation for war, or the declaration of war. I can remember—and this fact can be verified from the records—when the leader of this group in 1936 asked the government of this country to start a program which would cost about \$5 million. That request was for a work and wages program, to provide work for the millions of people in Canada who were unemployed, and to provide an opportunity for the young men who could not make homes for themselves. He was told that it could not be done, that the money did not grow on gooseberry bushes. Yet all he asked for was a \$5 million program. As I said before, we have today a piling up of surplus products within Canada. The fact that the apple growers of Nova Scotia can no longer sell their apples in the markets of Great Britain and the fact that the Okanagan fruit growers, as we were told the other night, are not able to sell their surplus apple products, are among the signs that point to a depression.

There is one basic contradiction in our economic system which the people of Canada, and the other people of the world too, who live under this system, will have to face. It is this. Although there is a need for food throughout the world, the more food that is produced by those engaged in its production, the lower becomes their price, the less becomes the reward for their production. In a short time they face the situation of not being able to get even the cost of production. Why? Because there is no exchange for their products; there is no market abroad for them. It is about the problem of providing that market that I wish to speak tonight, because the Canadians of tomorrow will have to face it, and face it in an extremely real way, unless something is done about it, and done soon.

Surely there is something wrong when a system, which can produce as much as ours can, cannot distribute its production. Surely there is something wrong when the only

[Mr. Castleden].

solution that we have for our overproduction, in a world that needs production and needs food, is that of paying farmers to root up trees, of taking surpluses and destroying them, of throwing bananas and oranges into the sea, and of burning coffee. Why? Because countries will not exchange these products.

These lost markets are causing apprehension across Canada. The western grain growers, who have been fortunate enough to have had crops in the last four or five years, have had some prosperity and a measure of security which they never experienced before. This was largely the result of (1) a world shortage of wheat and agricultural products; (2) a five-year agreement with Great Britain, which made minimum prices possible; and (3) a wheat board organization which returned to the farmer the net selling price of his grain. That is something he did not have before.

An hon. Member: A Liberal government.

Mr. Castleden: There are abroad in the west certain forces who would like that agreement type of thing to be done away with and who would like to return to the speculative market system of handling grain so that they would get the net return on the farmer's grain and he would not. These farmers have been able to pay off their debts. The number of mortgages is small. The farmers have been able to expand their farms and to provide themselves with some measure of modern machinery with which to produce. I want to say that they appreciate the fact that in the year 1949, when other agriculturalists across Canada find it difficult to sell their products, they have a market for their 1949 crop.

An hon. Member: What about 1950?

Mr. Castleden: It is about the 1950 crop that they are wondering. They have seen prices collapse before. This is what happens. In spite of the fact that the price of the commodity which they produce goes down, the cost of production continues to rise. Farm implements do not drop in price overnight. They will continue to rise in costs. The farmer is caught in between that price squeeze and is prevented from getting back his cost of production.

How was this five-year agreement with Great Britain made possible? It was made possible because ERP funds were available and provided United States dollars to Britain for the purchase of Canadian goods. Europe is beginning to come out of its emergency condition. According to reports, France is going to become a wheat exporting nation this year. In some quarters wheat is already becoming recognized as a burdensome surplus.