

brought about by the fact that we had no trade agreements, and that such countries as France and Germany had tariffs against our wheat.

Hon. Mr. HOWDEN: The grain trade went bad before the depression.

Hon. Mr. HORNER: While I am not defending the grain trade—

Hon. Mr. ASELTINE: You mean the pool.

Hon. Mr. HORNER: —I think the fact that we had no trade agreement was to blame for those conditions. The whole world was in a state of stagnation at that time. I think it was in 1932 that wheat hit its low point. I know I sold some at 64 cents and some at 70 cents. About that time I visited Iowa, and the corn growers of that state had the biggest crop in their history. Their cribs were full, but there was no market for it. I asked one grower if he could not sell some of his corn. He replied, that a few feeders would buy some at seven cents a bushel.

I am tired of hearing the party I have had the honour to follow criticized because of conditions in the hungry thirties. The few Tories in Canada did not control the whole world, but they have been blamed for a world condition.

Hon. Mr. HOWDEN: I did not blame the Tories.

Hon. Mr. HORNER: This agreement looks to me like so much camouflage. We hear great stories about the international wheat agreement that the government has presented. I point to the Bretton Woods Agreement concerning money matters and ask honourable senators what it has amounted to. What power has a small country like Canada to enforce the terms of the agreement, even if we do ratify it? I think it is so much whitewash.

Hon. Mr. ASELTINE: You mean "eye-wash".

Hon. Mr. HORNER: I have no faith in the agreement, so far as we are concerned.

Hon. Mr. T. A. CRERAR: Honourable senators, I fear that I must differ with my good and genial friend from St. Boniface (Hon. Mr. Howden). It is true that the conditions which obtained on the prairies in what are called the black thirties led to much discussion as to how a recurrence of those unfortunate conditions could be prevented. But I think it is wholly fallacious and mistaken to give the impression or adopt the conclusion that those conditions were in any way due to grain traders in Canada and elsewhere putting their heads together in a sort of conspiracy against the world. That is

not so. The adoption by European countries of flagrant policies of political and economic nationalism was the main factor which contributed not only to the low price of wheat in the thirties but to the great depression which swept over the whole world at that time.

Hon. Mr. HAIG: Hear, hear. Hear, hear.

Hon. Mr. CRERAR: Countries like France, and particularly Germany and Italy under totalitarian regimes, raised to prohibitory levels their tariffs against the importation of foreign wheats; and naturally, when these insuperable barriers were erected by countries upon which we largely depended for the sale of our surplus production, our wheat did not move normally in the ordinary channels of international trade. It is quite true that these European countries plowed up their parks and their grass lands and cultivated wheat, and the reasons are those that I have just given; but behind this policy, unquestionably, was a fear in the minds of their governments that if another war should happen to break out, they would be unable to feed their peoples. The measures they adopted were intended to provide against that contingency.

Hon. Mr. HAIG: Hear, hear. I have made that speech a dozen times.

Before the honourable senator continues, may I ask him what organizations in the early thirties held large amounts of wheat in Western Canada and got caught very badly.

Hon. Mr. CRERAR: I know the organizations which my honourable friend has in mind. I think it is historically correct to say that in 1928, and 1929, particularly, and also in 1930, the wheat pools of Western Canada thought they could override the old economic law of supply and demand, and, by holding back wheat from the market, push the price upward. Of course in the end that policy was bound to fail; but it failed largely for the reasons I stated a moment ago.

Hon. Mr. HOWARD: What the honourable senator says does not apply only to wheat.

Hon. Mr. CRERAR: Let us take a look at the agreement which at the moment is before us. It is not a product of recent vintage; indeed it might almost be said to be "lost in the mists of antiquity". At any rate, the story extends back at least fifteen years. I would remind my honourable friend the leader of the opposition (Hon. Mr. Haig), who was very critical in his remarks about the agreement, that it was the government which he supported, and which held office from 1930 to 1935, that set Canada upon the course of trying to get an international wheat agreement.