

formula. The challenge presented by over-production in the age of a billion horse-power is, to my mind, just as ominous as that.

As I think of the tariff increases and the extremes in policy and promises to which the Prime Minister has been driven, I am reminded of the characterization of the right hon. gentleman by a man in my own city of Winnipeg. He said: "Mr. Bennett is trying to persuade us we can all sit in to a game of poker and all make money."

Now, I have tried to suggest that our problems are simply part of world problems. That should be clearly understood, for our problems can be solved only as we cooperate in the solution of world problems. I propose very hurriedly to try and give my analysis of the situation in the west, for whether we are labour men or business men or farmers, we are all interested in the western wheat situation. The west is largely dependent on agriculture. There has been a tendency to blame and threaten the pool. In a pamphlet which has been widely quoted, and which would seem almost as if it had been inspired, Mr. Sydney S. Gampell made this statement:

If the pool desire to continue the tactics of recent years, the Canadian bankers, who know what business is, will not permit them.

The emphasis on the division between the east and the west has been deprecated by the Prime Minister. It is such statements and such threats from the banks and the lack of understanding they display that are responsible for any ill-feeling between the east and the west. I have no time, nor is it necessary, to enter into a defence of the wheat pool, but let me make just two or three remarks with respect to it. The pool has been censured for its large carry over. For the five-year period 1925-26 to 1929-30 the pool marketed an average of 51.4 per cent of the Canadian crop and carried over 43.6 per cent of the total carry over. The pool's carry over was not proportionately as large as that of the other agencies. Further, the pool has been criticized for "withholding" for a higher price. Let me say there was no such criticism at the time. The Grain Trade News as late as November 30, 1929, said:

Prices have risen considerably and appear likely to maintain their position.

Of course, hind sight is a great deal better than foresight, and the pool may have been to blame, but I am suggesting that if so the pool is not the only one to blame. Again, as to the attempt to maintain prices by regulating sales, even the Prime Minister says one of the great objects of his government is to maintain orderly marketing. The pool it-

[Mr. Woodsworth.]

self points out some of the world factors that enter into the situation:

(1) The tremendous world wheat production of 1928, amounting to over 450 million bushels more than the average world production for the five-year period 1923-27, during which year also, Europe alone harvested 171 million bushels more than for the same five-year period.

(2) A second record European crop in 1929 amounting to 175 million bushels more than the European average for 1923-27 and making a total above-average production for Europe alone in those two years of 346 million bushels.

(3) A consequent reduction in European imports in 1929-30, to 490 millions, or a reduction of 143 millions from the 633 million average of the five-year period 1923-27.

(4) Gradual growth of unemployment in Europe as a result of the restriction of United States credit and further development of post-war conditions.

(5) The financial crash in United States stock markets, which affected values the world over and announced the present period of world-wide economic depression.

(6) The remarkable uprearing of European tariffs against imported grains, as a consequence of abundant European supplies and political effort to support European agriculture, as well as to create favourable balances of trade.

Now, what is the present situation in the west? Again let me just give in the very barest outline possible what seem to me to be some of the main factors. Take the tremendous drop in wheat prices from January, 1930, of \$1.39 a bushel to the November, 1930 price of 60 cents. What does this mean to the west and to Canada? Wheat and wheat flour comprise 36.2 per cent of the total value of Canadian exports for the fiscal year 1929. It has been put in this way: The earning power of an acre of wheat in Saskatchewan was \$20.40 in 1925 while in 1930, six years later, it was only \$6.92. The Winnipeg Free Press has been carrying a series of articles which I would commend to eastern readers. I should like to give only two statements which summarize their findings. For six million bushels more delivered this year the valuation is well over \$113,000,000 less. And again: In three months of the year 1930 we exported over 40,000,000 bushels of wheat and flour more than we exported during the same three months in 1929, but we received only \$7,000,000 more in return. Again: The buying power of the western farmer has been more than cut in two. This next statement is of interest to the east as well as to the west: Canada, as stated by the Manitoba Free Press, December 6, 1930, has suffered a loss of \$51,000,000 on the export of approximately 25 per cent of her surplus wheat, on the basis of last year's values.

What are the solutions that have been offered? Mr. E. W. Beatty comes forward