

Agricultural Products Act

United States indicates why we are in a difficult position with respect to that country. How we are to find a large enough market for our goods to pay for the huge annual deficit in the United States is a major problem, one that I know the government appreciate, but I do not think they realize it is as serious as it is.

In my judgment the further loss of the British market may easily lead to an economic crisis in Canada. Let me emphasize again that one-third of our total volume of agricultural products is surplus. We must find a market for it outside our boundaries. That market has been found largely in the United Kingdom and the commonwealth countries. If Great Britain does not continue to buy it, what other country will? Some people have suggested that the United States will. I suggest, Mr. Speaker, that judging from past experience, and perhaps judging from the United States common-sense reaction to these problems, when that country finds that she has a surplus of certain commodities she will not welcome similar commodities from another country. She has demonstrated that several times in the past. Seventy or more years ago she discontinued a reciprocity arrangement with this country; again in 1921 and 1928, as I recall it, she raised her tariffs, and even now under her price support legislation, when she has certain goods in excess, other goods of the same kind from other countries will not be welcomed.

Can anyone imagine United States, with a great surplus, welcoming our wheat? Of course it is a bigger country. But it produces three or four times as much wheat as we do, and its exports now are nearly as large as ours. Can anyone imagine that country taking our wheat or our bacon on a permanent arrangement? The United States produces 3,000 million bushels of corn, half the corn in the world. Its bacon production is always likely to be high. Unfortunately those products that we have in excess the United States will often have in excess also.

Let me now ask this question: if Great Britain does not buy our surpluses, what country will? If some country does not buy our surpluses, which increased greatly in quantity during the war, there will be a curtailment of business in the country, a lessening of employment, a lessening of national income, and our tax burden will become more oppressive because it will be the same amount with a smaller income to draw from. And if some countries do not buy our surpluses in the quantities in which they were produced before the war, we are in for a deflation. It is important therefore that the country, as well as the government and the house, know what policies we are to follow to meet the situation.

I do not want to detain the house unnecessarily, but frankly I feel that this is the most important economic problem that the government or the country has to deal with.

Mr. Burton: What do you suggest that we do about it?

Mr. Bracken: Just have a little patience.

Mr. Burton: I have had patience.

Mr. Juras: What did you propose?

Mr. Bentley: We propose a change of government.

Mr. Bracken: Most members of the house occasionally read the Toronto *Financial Post* and the articles therein written by Kenneth R. Wilson. There is one dated February 19, 1949, in which he refers to the problem we are now facing as to wheat. I do not take as serious a view of the United States attitude to that situation as some do, but even in this case there is a question whether our export market is going to be held.

I have in my hand the report of the Empire Industries Association of February of this year, in which they quote one who is well known to some members of the house, George V. Ferguson, editor of the Montreal *Star*, in an article in the *Daily Telegraph*. This is what Mr. Ferguson is reported as having said:

Canadian disquiet is not lessened by the repeated statements of British leaders that the long-run objective is to find markets outside the dollar bloc. . . . If this trend is continued it is obvious that Canada will have to take whatever steps it can to create new markets for itself. . . . If continued long enough it would be bound to lead to political developments of a kind which would prove distasteful to Canadians and British alike.

What that means, I suppose, is that to the extent that we become economically dependent upon and tied into the affairs of the United States, we run the risk of losing in some degree, if not to a large extent, our political independence. Then they quote Mr. Ferguson further:

If we are driven to close our lives inside the dollar bloc it is equally clear that our position and function as an independent North American state will be gravely threatened. . . . The British should not ignore the long-term benefits of having a Canada more than an economic satrapy of the United States. . . . the ultimate state involves the independence of this country within the British commonwealth of nations.

Since it is in the same document, I quote another statement along the same line from one of the great Canadian daily newspapers, the Vancouver *Sun*, which says:

It is galling to note that Britain's purchasing business is going elsewhere. The London reply to Canadian protests is that Britain has not the dollars to buy in Canada. . . . We could send tremendous quantities of lumber, bacon and other products in exchange for machinery and other manufactured goods. . . . Apparently Britain prefers to exchange her manufactured goods elsewhere.