

situation, every economy compatible with the proper administration of the state will be exercised.

I wonder what is to come after the revenues begin to improve, should they ever improve, if that is to be the condition laid down. Are we to have economy compatible with the proper administration of the state only until such time as the revenues of the country will allow them to do something different? We shall wait and see what is meant.

There is in the speech from the throne one paragraph to which I wish to call the attention of parliament. May I say it is a paragraph with which I for one am in entire agreement. The paragraph which I am about to read has been inserted, I have no doubt, like many of the paragraphs that appear in statements of my hon. friend, for the purpose of window dressing; it is an assertion of fact with which I think everyone will agree. It is made, however, to look like something in the nature of a policy. I believe that anyone who studies the present condition of Canada will conclude that what it asserts is correct. It is as follows:

The present situation has emphasized the necessity of effecting a reduction in the costs of production and marketing of the wheat crop and of providing more stable markets, as the welfare of all parts of Canada is involved in satisfactory returns being received by the grain growers.

That paragraph, to my mind, states the crux of the situation not only as it is to-day but as it has been for some time past. It states the situation exactly as it was when parliament was in session this time a year ago. Let me read it in reference to the situation as it was in Canada this time a year ago so that hon. members may judge whether it was not equally applicable then:

The present situation has emphasized the necessity of effecting a reduction in the costs of production and marketing of the wheat crop and of providing more stable markets, as the welfare of all parts of Canada is involved in satisfactory returns being received by the grain growers.

That was the contention of the government of the day a year ago—that the most important of all facts in connection with Canada's economic situation was the position of the grain growers in this country. How was a market to be found for western wheat, to express it in small compass. The outstanding economic problem of Canada, the problem of problems, is summed up in that one question: How are markets to be found for our western wheat? Enlarge that question and ask how markets are to be found for our surplus agricultural and other natural pro-

[Mr. Mackenzie King.]

ducts, and you have a still broader aspect of the trade question. Enlarge it still further so as to include not only natural products but manufactured products as well, and ask how markets are to be found for our wheat, for our other surplus agricultural and natural products, and for the surplus manufactures of the country, and you have the trade problem of Canada in its broad aspect and outline. That is the situation.

I am happy that hon. gentlemen opposite and those who sit on this side are in agreement—I think I am right in saying that we are in agreement—as to what the problem is. That, after all, enables us to get somewhere in the process of debate.

May I say that my remarks this afternoon, from now on, will be directed not so much by way of criticism as criticism, as by a sincere desire, in a constructive way, to point out wherein I believe the situation as outlined can best be met, and wherein I fear the policies of hon. gentlemen opposite, instead of meeting, will defeat it.

Let me say to my right hon. friend, and say it at once: I believe he is thoroughly sincere in his motives with respect to his policies; I believe he thinks the policies which he has laid down will be best for Canada now and in the long run. I think he is thoroughly sincere in that. And I hope he will give to us on this side credit for like sincerity when we say that we cannot see the matter in the same light as he does, that we think his policies are wrong, that his methods are wrong, and that, instead of improving conditions, the policies he has put into force, and is putting into force will lead to a worse state than we have at the present time.

That is the ground of difference between us. We are agreed as to the need for an export trade for our surplus products, and my right hon. friend has certain policies which he believes will help to improve the situation. We believe those policies will work injury instead of helping matters. The debate on that question did not start to-day; it is one that has been going on in different forms, off and on, for a long time past. But it took very concrete form in the last session of the last parliament. At that time we all recognized the position as set forth in this paragraph. In what way did we recognize it? In the first place, we saw—and there was agreement on this point—that the former markets for Canadian wheat were being lost, that some countries, for example, Germany, France and Italy, were putting up tariff walls and making it more difficult for our farmers to compete in those particular markets and