

Europe to put an end to their policy of self-sufficiency, Canada and the United States must do a number of things among which are these. First, we must assure Europe of the means by which she will be able to buy our goods after Marshall aid ends in 1952. If convertible sterling is not available, then we will have to accept non-convertible sterling.

Then, secondly, we must remove and reduce certain tariff barriers. At the present time agriculture in Canada is taking the rap for what the secondary industries have done. Secondary industries have maintained excessively high prices which, in turn, increased farm costs. Our government must share the blame for the fact that these barriers have been allowed to exist and to continue. The government must know that the inevitable consequence would be that we would price our farm products completely out of the European markets.

The third point made by Professor Galbraith is that some program to expand the internal consumption of farm products must be adopted both here and in the United States. We contend—and I am speaking of the Social Credit Association of Canada—that the best program for bringing about this expansion would be one based upon the social credit compensated price-discount mechanism. This would be especially valuable and effective when applied to those surplus products where just a slight increase in per capita consumption would cause the surplus to disappear entirely. Let me give an example: If each Canadian were to consume just one more egg per week than he or she is now consuming, they would use up an additional 60 million dozen eggs this year, and the poultry producers would not have to worry about surplus eggs. But the Canadian people have to be able to buy those additional eggs if such a happy condition is to be made possible. Our proposal assures them the purchasing power.

The social credit compensated price-discount mechanism will do more to extend the internal consumption of farm products than any other mechanism now known, and it is worthy, I suggest, of the closest study in connection with the problem posed by Professor Galbraith.

The fourth suggestion made by Professor Galbraith, along with the three I have already mentioned, is this one, that for the present at least some form of two-price system will have to be adopted by which Europe can be allowed to buy our goods at a lower price than the existing internal price level, and this notwithstanding Geneva.

The implications are clear. We will have to adopt some system of seeing to it that our farmers have an internal price based upon parity with the cost of goods they have to buy; and secondly, we will have to see to it that exporters are compensated for any loss they may take by selling their goods or farm products, particularly in European markets, at a lower price than they can be sold internally.

I wonder if this government has independence and imagination enough to take the action required to meet the situation? The speech from the throne does say that the Agricultural Prices Support Act will be brought before the House of Commons for amendment, so that it can be continued. There is no indication, however, whether it is the intention of the government to make the act permanent; nor can we take much comfort from the declaration in His Excellency's address until we see what kind of bill it is going to be.

We fervently hope it will not be a mutilated shadow of a thing, another attempt at window-dressing. Canadian agriculture must be kept prosperous. If that is assured, then all other elements of Canadian life can be kept prosperous.

For a moment I should like to turn to the consideration of a fourth matter of great importance to Canada's future internal security. I have in mind the prospects for continuing high employment and prosperity. The speech from the throne says this:

* Employment and prosperity remain at a high level in Canada. The prospects are good for continued private investment in construction and capital development throughout the present year.

Then follow some statements about unemployment and unemployment insurance which not only cast some doubt on the optimism expressed in the part I quoted, but also serve to mislead the people. Actually, and just to review what has already been said for the purpose of what I wish to say in this connection, as of February 2 it is indicated that ten and four-tenths per cent of the total number of Canadian wage earners were out of work. The consequent strain upon the unemployment insurance fund is very heavy. I wish to emphasize however that the more serious aspect of the situation is the feeling of restlessness spreading among the people who cannot help remembering the sequence of events which led up to the hungry thirties.

They see in the present combined situation too close a parallel to feel anything but grave concern about the future. I remember well that in 1929 very optimistic declarations were being made about the future, exactly as they were made today by the Prime Minister (Mr.