

In other words, the exact figures disclose that during the years 1914-1920 \$13,773,733 was spent on the business of Canada over and above what was spent on war and demobilization account during that period.

Sir HENRY DRAYTON: I have been following my right hon. friend and his statement is incorrect. I have just looked at the Public Accounts, and I find, for the year 1920 the deficit is \$390,000,000, as against the \$436,000,000 that he showed. A very cursory examination is sufficient to show that.

Mr. MACKENZIE KING: The figures I have are figures given me by the Finance department, which I have every reason to believe are absolutely accurate.

Sir HENRY DRAYTON: I have the books here.

An hon. MEMBER: A misprint.

Sir HENRY DRAYTON: It is not a misprint.

Mr. MACKENZIE KING: Let me come to another part of what I should like to say this afternoon. We have heard it said over and over again in this debate and emphatically by my right hon. friend this afternoon that, in the tariff changes which the government has made, the government has not proceeded in accordance with any principle; that we have acted in a haphazard manner. I think he used the expression that we have been "gerrymandering" amongst the industries. He was very very strong in what he said as to there being no underlying, guiding principle upon which the tariff changes had been based. I wish to say, Mr. Speaker, that the budget which has been brought down this year has been carefully planned, planned in reference to very definite principles. Those are the principles for which the Liberal party has fought during the years which have passed and for which it will continue to fight during the years which are to come. The guiding principle as regards the tariff has been its revision in such a manner as will help to increase production and help to decrease the cost of living—in other words, to effect a reduction in living costs and a reduction of production costs. Those have been, as long as the Liberal party has been the Liberal party, the aims and objectives which it has had in mind in all tariff matters.

I should like to emphasize that in this two-fold aim the Liberal party has had in view, not only producers, but also the consumers of the country. We have sought, in all our policies, to con-

sider the interests alike of consumers and producers. There are some who say that it is impossible, at one and the same stroke, to render a service alike to producers and consumers. A view of that kind is a very superficial view. Let me give from nature an illustration which in a moment will make the matter apparent. The condition of the country is dependent very largely upon the seasons. If you have a spring in which the rains are just sufficient, a summer where there is plenty of moisture and sunshine and a fall that is free from blight, then you are apt to have harvests and crops which will bring plenty in the land, which will help the producers and the consumers, at one and the same time, and further national well-being as a consequence of helping both producers and consumers. On the other hand, if you have a spring in which there is not sufficient rain, droughts in the summer, frosts and consequent blights in the fall, not only are producers injured, but consumers as well and the entire country suffers.

Taxation is in the nature of a blight. Let it ever be remembered taxation is a burden whether it is on the back of the consumer or on the back of the producer. The man or woman who has to carry it is a burden-bearer, and the man or woman who is freed to some extent of taxation is freed to that extent of a burden. If you free consumers of that burden to that extent you are helping, not consumers only, but also producers, because you afford a larger purchasing power and ensure a larger demand for the commodities which are produced. Similarly, if you in some measure relieve the producer of taxation, you are helping also the consumer, because in relieving the producer in some measure of taxation, you enable him to produce in larger quantities or the same quantity more cheaply, and you help the consumer by having placed before him commodities in large quantity, and at a lower cost. Where it is possible to relieve the consumer and the producer of taxation, you are helping all classes in the community.

The most elementary knowledge of political economy teaches us that the factors of production are four: Land, labour, capital and management. In order that wealth may be produced, that industries may be developed, in order that there may be an export trade, and that a country may enjoy economic advantages over other nations, there must be a combination and co-ordination of these four factors.

What is the land? Land, in the broad meaning of the term, consists in the natural, material resources of the soil, the forests, the mines