

that the cost of living is the most important of all the questions which this country has to face at this time. It is a question that cannot be met simply by tariff changes here and there, no matter how considerable they may be. The problem before Canada to-day is how for a population of between nine and ten millions of people the cost of living is to be decreased—how it is going to be possible to reduce taxation from its present large proportions owing to expenditures incurred during the period of war and of railway obligations which have been so considerable during the last couple of years. The only remedy that my right hon. friend has to propose is to increase the tariff, in other words, increase taxation here and there to help special interests. We say the situation cannot be improved in that way. We say that the only way to improve it is, first of all by strict economy on the part of the administration, and, secondly, by the government adopting policies which will increase production in this country in the quickest and most effective manner possible.

It is in regard to the policy of increased production that the government has come forward with a constructive programme which, if given an opportunity to be worked out, will help to meet the situation. Part of that programme was outlined in the Speech from the Throne last year and was given expression to in this House in the changes that were made in the tariff at the last session. A further stage in that programme is announced in the Speech from the Throne this year. The two are parts of the one constructive programme which the administration is placing before the country as a means of help to solve its great industrial, financial and social problems. In a word, that programme is, having regard to Canada's vast resources, to increase production by the only possible effective means. As I intimated a moment ago, we have untold natural resources, whether they be of the soil, the mine, the forest or the fisheries. We have as well great water-powers; we have all that is needed to enable us to be a strong, a great and a prosperous people, a people for the most for whom there should be every necessary comfort and every opportunity. But to develop the natural resources labour and capital are essential, and markets in which to dispose of the commodities which are produced by the application of the people's capital and labour to the natural wealth of which we have such an abundance.

We have taken steps to improve the labour situation as regards the development of the
[Mr. Mackenzie King.]

natural resources by strengthening our immigration programme. As I said this afternoon, there are reasons why immigration has not been developed as fast as many of us would like to have seen, but those reasons will not obtain as much in the future as they have in the past. We must keep in mind that Europe and the British Isles do not serve as recruiting grounds for immigrants, as they did prior to the war. It is not possible to bring immigrants from the Old Land in the numbers in which they were readily brought before the war. In addition to that, we have learned from the experience of other countries that it is inadvisable to bring in immigrants without a careful process of selection; that it is much better to pay attention to quality than merely to seek to increase immigration so far as numbers are concerned. For this reason the government has taken steps to exercise care in the selection of immigrants. We have sought to bring as many as we can from the British Isles and from the northern parts of Europe. But the chance of getting people to emigrate to-day is not what it was a few years ago. In the old days the government was free to offer any number of homesteads, to offer to settlers inducements of many kinds. We cannot do that to-day as it could be done some years ago, and for that reason it is more difficult to get the labour into the country which is needed for the development of our resources. But the tide has set in, and now that agriculture is beginning to attain, as evidenced by the current prices of agricultural commodities, a position similar to that which it formerly held, we will expect to see a large immigration to Canada which will result in a distinct note of prosperity.

In regard to the implements of production which constitute the capital required for the development of our resources we have as I have shown tonight, through our legislation of last session, made the cost of these implements less to the settlers of the country. Whether engaged in agriculture, mining, lumbering or fishing this government has helped to make it possible for persons going into these industries to obtain the capital that is necessary for the carrying on of their activities at a lower cost than prevailed before. When the capital requirement is lessened, the cost of production is lessened, and it stands to reason that the whole industrial life of the country must as a consequence be materially prospered. All manufacturing is based on the cost of raw material. All manufacturing, no matter of what branch it may consist, depends on the