

Subject.....

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crease prosperity is to increase the total production in the basic industries of agriculture, lumbering, mining and fishing, as development makes available the raw material necessary for human needs.

NEEDS OF THE HOME.

"Stop and think of the home and its needs. First, there is the house, of wood from the forest, with brick, mortar and the plumbing materials traced to the soil and the mines. The furnace and the stove are just so much iron transformed. The utensils for cooking, the dishes on the table, the food itself, either in canned goods or in its natural state is something grown or marketed as fruit transformed. We not only need production, but agencies of transportation and commerce, to make possible selling and distribution of the raw materials to the industries, and thus we build up railway systems, wholesale and retail business houses. If all this is true, should not we as a government take the course to make possible the production of a larger amount of raw material?"

KEYNOTE OF POLICY.

"That is the keynote of the policy we have put into being," said Mr. King. "Since the amount of raw material to be used can only be increased by capital in the form of tools and implements, we said, 'Let us put capital in the hands of labor at as low a cost as possible.' Why tax the implements necessary for production if it is possible to avoid doing it? Is taxation a blessing? Do you wish to carry the burden if you can do without it? All protection is a form of taxation. I do not say that there are not industries in which it is necessary to have a tax in order to give them a start and place in Canada. We have to raise annually between three and four hundred million dollars. If we do not do it by direct taxation, we must use indirect taxation, which means customs duties, to raise the money necessary to carry on the affairs of the country. Having to raise this, it is impossible for any government to drop the indirect taxes we are required to raise by the tariff.

"Our government has taken the position that tariff is primarily a means of revenue, and not primarily for giving special privileges to industries which are not given to the people as a whole. We say that as

we develop and increase our raw material, we help all industrial life. That seems to us to be the only true national policy, because it seeks to help not one class only, but all industries and all classes.

"Let us come to your community here, and ask you concerning its industries, railways, stores. We find that all are concerned with the transferring of different commodities made out of raw materials. If there is cheaper raw material, we can cheapen the rest without loss. If the price is partly made up of tax, you can make just as much profit at a lower price if the tax is reduced. If you cheapen the cost of production, it makes available the production of a larger quantity of goods, brings a cheaper price, and creates a larger market, and those producing the commodities gain by it, by making a larger turnover.

THE QUESTION OF WAGES.

"In regard to wages, there are nominal wages and real wages. Nominal wages are what a man gets in dollars and cents. Real wages are what he can buy when he goes out to make purchases of house accessories, food, clothing, with the money he may have. We say that when we reduce the cost of producing the raw material, it makes it possible to earn wages in larger quantity for the same return for labor.

"But, you say, that may be true, but what of the industries which make implements. That depends on the extent to which monopolies or combines exist in these concerns, or the extent to which competition is affected by bringing down the tariff bars. Even in these industries themselves, they have got to use raw materials. There has come a time when they must look at things from a long range rather than from a short. We cannot benefit one class

W. L. Mackenzie King Papers

Speeches-1922 - 1932

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