

Hon. gentlemen say, "What did Mr. Mackenzie King and his government do, while in office, in the way of furthering social legislation? I have spoken of the Combines Act, of the Fair Wages and Eight Hour Day Act, enacted the one in 1923, the other in 1930. I might have added that we gave to labour a place on the board of directors of the Canadian National Railways, but there was one measure more important than all the others. It is the Old Age Pensions Act, enacted in 1927. We began to work toward that end in 1924. If anyone will give careful study to the question of social insurance and of social legislation generally, he will realize that the place to begin with legislation of that kind is with the older members of the community, those who have spent their lives in industry and who because of age, because of the introduction of machinery as it is used to-day, demanding extreme exertion, are prevented from continuing in their work and are consequently thrown out of employment—thrown out, through no fault of their own but simply as a result of the way in which industry is operated. Now, these are the persons for whom first of all the state ought to care.

But before legislation of the kind can be introduced and made operative something else is necessary, and of this I am afraid the present government is losing sight. You may have all the social legislation you please, old age pensions, insurance for sickness, invalidity, unemployment, and so on; but, unless you have money wherewith to make the payments necessary, you cannot carry out that legislation. I shall be able to show that hon. gentlemen opposite have themselves given that reason for not carrying out legislation which they have passed. The first thing is to make sure of where the money will come from.

I have always held the view that we could not have much in the way of prosperity in the country if we had not much in the way of trade; and, therefore, as part of the policy of the Liberal administration, seeking to improve industrial conditions, I have always endeavoured, as the basis of Liberal legislation, to introduce measures that would further rather than restrict trade, measures that would help to develop the trade of the country and, by developing its trade, provide employment in the natural and proper way.

What good are minimum wages to men who have no work? What good are maximum hours to men who have no work? The sweating system is usually to be found where there is very little work. How are old age pensions to be paid if there is no general employment?

How are you to take care of the sick if you have insufficient revenues out of which to meet the necessary disbursements? Can you go on developing all these services on borrowed money indefinitely and not have the credit of the nation suffer? Can you carry on any scheme of social legislation unless you have the wherewithal to do so?

In that view of things will be seen the foundation of Liberal policy on social legislation as well as much else; and if the Liberal party in the federal field, during the time I had the honour to be Prime Minister, did not introduce more in the way of so-called social legislation than it did, it was in the main for two reasons, one of which I have already indicated, namely, that up to the present time, until within the last few weeks, it has been understood that practically all legislation of a social character came exclusively within the jurisdiction of the provinces, the other reason being that we did not know where we should obtain the wherewithal to carry out these policies until we got rid of the cumulative deficits which we had inherited when we assumed office.

We started out with a policy of balancing the budget; a policy which would develop trade by reducing the duties on the implements of production in the basic industries; by reducing the tariff on many of the necessities of life which enter so largely into the budget of the working classes; and by lowering other tariffs which would further trade by means of reciprocal agreements, and in other ways. As a result of these policies, we not only succeeded in putting an end to the deficits, but for seven years we had surpluses instead. Equally, we felt the necessity of reducing taxation, and our policies were the means, as hon. gentlemen know very well, of bringing down very materially the taxation of this country in a way which helped industry and all classes connected with industries. The sales tax, which at one time was 6 per cent, was brought down to one per cent before we went out of office. The rate of the income tax was lowered with respect to the lower incomes, while small incomes were wholly exempted. The various nuisance taxes, so-called, were completely abolished. The postage rate, which had been 3 cents, was brought down to 2.

All these measures were part of a policy designed to make possible the development of trade and to improve social and industrial conditions throughout the country in order that