

to manufacture due in a large part to the increasing tourist travel in this country. He will find that much of it has been manufactured into cheese; also that the farmers in the west, finding it more profitable to devote their time and attention to the raising of wheat, have paid less attention to the manufacturing of butter. I will leave it to the Minister of Agriculture (Mr. Motherwell) to give us more detailed information on this question. My hon. friend will find, with respect to the country from which we have been importing the largest amount of butter, that we have, in exchange, been sending to that country and to the country associated with it, a larger amount of manufactured commodities and supplies of one kind or another than we did in former years, when we were, perhaps, importing less in the way of the single commodity butter. I refer, of course, to New Zealand and Australia.

Coming to the other commodity which my hon. friend mentioned, agricultural implements, if he will stop to look at the figures he will find that instead of falling off, either in the value of their production or in the total quantity produced, there has been a steady increase ever since the tariff changes were introduced. I have in my hand a statement by the Dominion statistician with respect to the agricultural implement industry in Canada. This shows that the production of agricultural implements and machinery was valued at \$42,000,00 in 1927. This was 12 per cent above the value of \$38,000,000 for the previous year, which in turn showed a gain of 54 per cent over the total of \$24,000,000 reported for 1925. Taking the figures for the different years, the numbers of employees in the agricultural implement industry in Canada are shown as follows:

1923..	7,792
1924..	6,700
1925..	7,559
1926..	10,091
1927..	11,011

The selling value of the production totalled as follows:

1923..	\$26,026,419
1924..	26,447,171
1925..	24,770,216
1926..	38,269,214
1927..	42,996,288

So far as the agricultural implement industry is concerned, far from any action of this government having proved a detriment to it, the figures would show that the industry has prospered more than ever.

My hon. friend referred to the basic industries of the country as being the source from which its wealth was derived. I am glad

my hon. friend has at last come to see that the primary industries are the basis of industrial prosperity in the country. That is what we have been trying from the beginning to have him recognize; it was what we tried to have him recognize when we reduced the duties on the implements of production in the basic industries. If the basic industries of this country are developing to-day as they have never developed heretofore, it is due, to a very considerable extent, to that reduction in the duties on the implements of production which has served to make implements cheaper to those who are engaged in these industries, and in the second place, to the reduced cost of living thereby effected and which has furthered production.

There have been other government policies which account for the increased prosperity at the present time. Let me mention policies with respect to the railroads of this country. When we came into office we found two or three systems, competing to a certain extent with each other, and under different managements. We now have these systems brought into one coordinated whole and working as one under one successful management and administration. In other words, we brought about the consolidation of the Canadian National railways. We brought that consolidation about at a time when these railways were liabilities to the country. Year after year there were deficits in operating expenses as well as deficits in other directions. What is the position to-day? The position to-day is that an institution which was a liability has come to be recognized as one of our greatest assets. With the development of the Canadian National railway system has gone the extension of branch lines in different parts of this country, all of which has helped to bring agriculture very much more to the fore, to develop agricultural, lumbering, and mining districts heretofore undeveloped, and to bring the foreign markets and domestic markets more nearly into touch with these basic industries which are as has been said the basis of our prosperity.

Not only has there been a consolidation of the railways in this manner, not only has there been an extension of railway development, but one of the first problems the government grappled with was the question of railway rates. The government grappled with this question first with reference to western Canada, and then with reference to eastern Canada. When we came into office we found that the Crow'snest pass agreement had been suspended. We restored the terms of that agreement, first with regard to grain and then