

and the sea. Agriculture, lumbering, mining and fishing are the industries that grow out of the development of the natural resources; they are the industries that depend upon the soil, the forests, the mines and the sea. As you develop these natural resources, so you make possible the development of the whole of the industrial life of the nation. That is the great fact which lies at the bottom of this budget. We are seeking to make possible the development of the natural resources of the country in a larger way than has hitherto been possible, believing that as we promote this development we are helping the whole industrial life of the country.

Next, take labour; labour includes the actual labour in the country at any moment; but it also includes in a potential way the immigration that may come to the country to supplement existing labour. I maintain that there is necessary, as a supplement to a vigorous immigration policy, some policy which will induce immigrants to develop our natural resources. In other words, if you are going to stimulate in Canada the kind of immigration movement which is necessary for our development, you must endeavour in some way to attract immigrants to develop the resources of the soil, the forest, the mine, and the sea. It is in the great natural industries of the country that wealth in the first instance must be produced.

I come now to capital. What is capital? It is nothing other than wealth that is used for the production of further wealth. In the great basic industries, capital is the machinery, the implements and the tools required to aid labour in this development, also the food and clothing essential to the workers engaged while production is bringing forth its fruits. The capital that is essential to the development of these basic industries, upon which the whole of the national wealth and development depend, consists in the implements of production. That is why the Liberal party has always stood for the reduction to the lowest point possible of the duties on the implements of production, and particularly those that are connected with agriculture. We have been seeking a policy which would help to develop the whole of the national life; and it would be just as logical to put a tax upon every immigrant who comes into the country and goes to work in mine, or field or forest, as it is to put a tax on the implement he has to use in order to extract the wealth from the soil. We say, therefore, that in so far as the circumstances of the country will permit, we

[Mr. Mackenzie King.]

believe that in our policy we are laying the foundation of a great industrial revival in this country, that we are establishing a truly national policy.

My right hon. friend asks, why single out particular industries? Different members of the House who have spoken have conveyed the impression that we were discriminating against a particular class. We have done nothing of the kind. Let hon. members look through the records of the Liberal party and they will find that from the day on which the question of the tariff was first spoken of, the reduction in the duties on implements of production has been put forward as a foremost object of the party, and put forward for the reason I have mentioned.

Let us stop for a moment to consider further the nature of industry. What, in a general way, is industry? It is nothing other than the transformation of the natural resources of the country, through human intelligence and human energy, by the aid of natural forces, and of tools and implements, into commodities and services that are available for human use. That is all. Industry is a great process of transformation beginning with the basic industries associated with the soil, with the forest, with the mine, and with the sea, a process of transformation in which every handicap that is imposed at the base is carried on up to the very top and where whatever of freedom is given at the start is reflected all along the way. Our object in the budget, far from injuring in any way the industrial life of the country, has been to bring about an industrial development in Canada vaster than has ever been known before.

I have spoken of the different industries as being so to speak, built up one upon the other. I have in my hand a copy of the Canada Year Book which contains a list of the manufacturing industries in this country, not the individual plants, but the different industries, large as well as small. There are between three and four hundred altogether, the larger of which number about forty. Now, what does one find as one consults the classification? One finds that all the industries of this country—and I am speaking now of the manufacturing industries in relation to the tariff changes which we are making at the present time—are based, and depend for their raw material, upon the development of the four basic industries to which I have referred. First of all, there are the industries that grow out of the vegetable products, such for example as biscuits, confectionery, bread and other bakers' products, feed and flour mills, and so forth, comprising a list of some thirty-four. Then there are those that depend upon the development of