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The Leader of the Opposition

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Something to Start Business

You have got to do something that will start business itself. We said one way to get this country under way is to reduce the tariffs in some direction, not wipe them out altogether but reduce them so they will help our great basic industries. (Applause).

Last night I was speaking, as you know, of trade generally and many of you were kind enough to listen in to what I was saying in Halifax. I am not going to repeat that tonight, but I will go just a step further and speak of a part of the Liberal program as set out in our statement in the Liberal Opposition issued a couple of years ago, and that is, the importance of the basic industries of the country, because prosperity depends more than anything else upon its great basic industries, agriculture, mining, lumbering and fishing. Those are the great primary productions of the country, and if those industries are not developed we cannot begin to take this country out of depression into prosperity. (Applause).

Our manufacturing industry depends upon the successful development of our primary industry, and as you can cheapen the cost of production of the primary industry and make possible the use of this raw material at a less cost, you are helping your manufacturers, you bring purchasing power into this country by selling your goods in other countries of the world.

That was the object we had in mind to bring about, if we possibly could, and so we said we will try to reduce the duty on the implements of production in the great basic industries of the country, to make, if we can, farming a little more profitable to the farmer by reducing the duty on the implements he has to use. The same with those who are mining, the same with those who are in the fishing and lumbering industries. And we did very considerably.

Reduced the Cost of Living

We said that is not enough.

We said there are very heavy taxes on the people, which affect the cost of living, and where the cost of living is high it is going to be equally difficult to develop your industries, because all these costs have to be carried into the price. By lessening taxation, commodities sell at a less price but the producer gets a chance to sell a larger quantity of commodities because the price is at a figure where people can purchase. He will get more money because he will sell more commodities.

And in the other case, where the price is high, the bigger percentage of it has to go into the cost of production, the labour he hires, the cost for all the things he purchases in his home, and the taxaton that has to be paid.

These prices, for the most part, are the immediate taxation. That is what puts the figure up.

You talk of having a high price. Well, that price represents one-third taxes and one-third high cost of manufacture and implements.

It is not going to help the producers, in comparison to prices that will have very little of taxation, very little in the cost of production, but the great balance to go to the man who has produced from his labour and toil. This is the foundation of all economic growth. (Applause).

Reduction in Taxation

We found a Sales Tax that had to be put on, something like 6 per cent., in order to balance the budget. We began by removing that tax altogether from a large number of commodities. We exempted the things needed by people in their homes from that tax. We allowed it to remain on others, because we had to get revenue, but we gradually got that tax down from 6 to 1 per cent. We reduced the cost of production and reduced the cost of living, in that way enabling the people to produce and sell at a lower price but we had larger markets as a consequence.

When you compete in foreign markets the price is an all-important factor and if your cost of production is high and if your cost of living is high at home, you can't hold your own against countries that have lower cost of production and lower cost of living. The whole policy is sound.

Take for instance, the motor and agricultural implements. The motor is affecting all classes.