

all or even part of the credit for it. He was inclined to give Providence most, if not all, of the credit, for everything that has taken place. May I say to my hon. friend that Providence, being wise, at least saw to it that its favours were not shown until it was quite certain that hon. gentlemen opposite would be out of office for a considerable time. Providence quite evidently has chosen the time in which to favour this country with the prosperity we now enjoy, I may also say that while Providence is all-powerful there are some things it cannot do alone. In human affairs Providence must work through men and through governments. If to-day we are to thank Providence for the prosperity of this country, as we all do most profoundly, I think we can also acknowledge the part taken by the workers of this country, by those engaged in industry and in trade and commerce, in working with Providence towards its development. We are justified moreover in making acknowledgment in some measure of the policies of the government which have contributed to that end.

With regard to the policies of the government and the prosperity which we enjoy to-day through the bounty of Providence and with the aid of Providence, I would say first of all we owe very much to the policies brought down in this house by the Minister of Finance (Mr. Robb). Let me recall the position of the country when the present government assumed office. The Minister of Finance was obliged at that time to acknowledge heavy and recurring deficits, which were bringing the country more and more into a condition of bankruptcy. After this administration had been in office a year or two the present Minister of Finance could come to the house and, instead of bemoaning deficits, announce surpluses. From year to year he has continued to announce surpluses, with the result that not only has the national debt been greatly reduced but the taxation of the people has been reduced as well. I think it is an elementary principle in the development of a nation, all other things being considered, that that country which is least heavily taxed is likely to be most prosperous. Year after year the Minister of Finance, in presenting his budget, has been able to announce to the house some further reduction in taxation. He has announced reductions in the income tax, in the sales tax, in the stamp tax on cheques and in the postage tax, one series of reductions after another, and by reducing or

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eliminating taxation in this manner the country has been placed in a better position than it otherwise would have been.

May I refer also to the indirect customs taxation which has been of importance in the matter of reduction. My hon. friend spoke of interference with trade, and said that whenever this government had interfered with trade it had made matters worse than they were. I do not know what he had in mind when he used the word "interference" because what we have been seeking to do in the matter of trade has been not to interfere but to rid the country of many interferences. I am unable to see where we have interfered with trade by introducing impediments, particularly impediments of the character which hon. gentlemen are advocating. Rather have we removed some of these impediments; we have reduced considerably the indirect taxation which had been placed on some of the industries of this country. And that reduction in taxation has resulted in a considerable benefit to industry, and to the country as a whole.

My hon. friend did not mention many industries or commodities. I think he mentioned only two: he spoke of butter and he spoke of automobiles.

Mr. BENNETT: Agricultural implements.

Mr. MACKENZIE KING: I beg his pardon, agricultural implements. If there had been more to speak of I think we would have heard so from my hon. friend.

Reducing it to butter and to agricultural implements, may I say to my hon. friend that I doubt if he has fully appreciated the circumstances which have contributed to certain of the results he indicated. He spoke of basic industries and commodities and of other industries or manufactures to which they give rise. I assume that each year's butter manufacture comes from the milk crop. First of all, the farmers have to have a supply of milk from which to manufacture butter. They may sell the milk itself or the cream, or they may use the supply of milk for the manufacturing of cheese or butter whichever is the more profitable. Instead, however, of going into the production of milk, they may find it more profitable to invest their capital and time in some other branch of agriculture. If my hon. friend will apply what I have said with respect to the milk trade and its subsequent development in Canada, he will find an explanation of why the export of butter has fallen off. He will find that more of the milk has been sold, that it has been more profitable to sell than