

make it clear that it is his statement—that we are not entitled to all the credit that we are seeking to take for the reduction of the public debt by \$257,000,000. I say to the hon. gentleman—and I think he says so himself—that there is nothing new about the \$147,000,000 that he referred to. It has always been the same, there is no increase in it, it was the same in 1923 as it is in 1929; therefore it cannot be very well taken into account except that it swells the general sum of taxation. Let me be clear about this. The general taxation, or the turnover tax on business, although it was reduced, produced more money. How? By the increased volume of business. But it did more. It reduced the general taxation per capita. That is what happened, and that is what my hon. friend did not make clear to the Canadian people when he was making that statement. It is not an increase of taxation upon the individual, but rather the reverse. That is the real situation with respect to the statement of my hon. friend that this government increased the general taxation.

Let me deal for a moment with the sales tax. My hon. friend pointed out that in 1923 this government found the sales tax at 3 per cent. But how did we find it applied? It was applied upon the general sales throughout the country. Every hon. member will recall the agitation that was in effect throughout the country with respect to the collection of this tax. Every retailer had to make a return. It was a most exasperating tax. Not only that, but may I tell my hon. friend from Lincoln—who no doubt will remember this—that that tax was pyramided, sometimes as much as 8 per cent, upon commodities purchased by the consumers of this country.

Mr. McGIBBON: So was the 6 per cent pyramided.

Mr. STEWART (Edmonton): I have no recollection that the 6 per cent tax was pyramided. The 6 per cent tax was collected, and was designed to be collected, either at the entry of the goods or when they were manufactured. Some complaint was made that the tax was passed on to the consumers on the various sales.

Mr. McGIBBON: Pyramided as it went.

Mr. STEWART (Edmonton): Only to the extent of the first tax. If my hon. friend means that they were pyramided because there were subsequent sales made plus taxes, yes; I certainly agree as to that; but that is not pyramiding. That is not collecting a tax every time a sale takes place. Take a suit of clothes, for example.

An hon. MEMBER: Somebody else collected a tax every time a sale took place.

Mr. STEWART (Edmonton): My hon. friends can make nothing of that. There is no comparison whatever with the pyramiding of taxes of which I am complaining. The tax was one collected on every transaction. The turnover was derived on every transaction from the date of the entry of the cloth that went to make a suit of clothes, through the wholesalers to the tailors and passed on to the customer; in every one of those transactions a tax was collected. That is what we were complaining about, and that is what I hope my hon. friends will take the precaution to understand when they state that we materially increased the sales tax when we made it 6 per cent. I hope I have made that matter clear, and that we shall not again hear the statement boldly made that we increased the sales tax and that we are not to be credited because of the fact that we increased it from 3 per cent to 6 per cent.

Mr. BENNETT: Did you not increase it to 6 per cent?

Mr. STEWART (Edmonton): Yes.

Mr. CHAPLIN: What are the amounts collected each year for sales tax?

Mr. STEWART (Edmonton): If my hon. friend will consult Hansard he will find a statement made by my hon. friend the leader of the opposition (Mr. Bennett).

Mr. BENNETT: As long as my hon. friend admits it was increased to 6 per cent I am satisfied.

Mr. STEWART (Edmonton): I shall now direct my remarks to a few items in the tariff. There is one statement to which I shall refer before I deal with particular items, that is a statement made by my hon. friend the leader of the opposition. I forgot the name of the person to whom my hon. friend attributed the statement but he is reported to have stated that so far as the empire is concerned a factory in Canada was as good as a factory in England. I think that statement is correct.

Mr. BENNETT: That is the sense of the statement which I made. To be more accurate, I quoted the statement that a woollen factory in Canada is as valuable an asset to the empire as a woollen factory in Yorkshire.

Mr. STEWART (Edmonton): With that statement I have no particular quarrel. I believe that a free interchange of commodities or as near as possible a free interchange within