

point to the record of Mr. Fielding and Mr. Robb, and perhaps we will point a year or two later to the record of Mr. Dunning—I repeat, we are emphatic in saying that an increased exchange of goods will take place, and the net result will be a lessening of the cost to the consumer. The budget meets the very general desire of the Canadian people that the volume of our business with Great Britain should be enlarged. Hitherto this feeling has been largely sentimental. Quite true. That is the complaint I have had against my friends across the way; they are always strong in sentiment but lacking in action. But now plainly the value to us of the opening of the British market is being appreciated—these are some of the points I want to get across to my hon. friends opposite—the value to us of the opening of the British market, I say, is being appreciated by the Canadian people as never before. But there having been a partial loss of market, there is apprehension that further losses may be suffered. The desirability of strengthening our position in the British market by offsetting our sales with purchase is now pretty evident to Canadians, and Mr. Dunning's effort to facilitate this exchange of commodities will be strongly supported by public opinion.

An hon. MEMBER: What are you reading from?

Mr. STEWART (Edmonton): I am reading from a few notes I set down that I thought would be intensely interesting to our good friends across the way. Ours is not a lip loyalty, nor is it a mere expression of sentiment; it is a straightforward and direct offer to Great Britain without any strings upon it; it is a direct offer to Great Britain to transfer a large volume of our imports from other countries to our kith and kin.

Mr. QUINN: Do you call that flag-flapping?

Mr. STEWART (Edmonton): I am afraid the hon. gentleman will not be able to wave the Union Jack this time and talk about loyalty. That had always been the recourse of a few hon. gentlemen across the floor of the house, and I think it is time it was stopped. There has never been any attempt on our part to preach sentiment, to talk about loyalty; this government on every occasion have given evidence by their works of what they believe. It makes me tired to hear gentlemen across the way talking of wrapping the flag about themselves. I have been in politics for forty years, and that is one of the things in my experience that has frequently been resorted to by hon. gentlemen across the floor. Not only that, but they have decried the loyalty of the

[Mr. C. A. Stewart.]

leader of this government and are still seeking to arouse prejudice against him. I say it is time that that sort of thing came to an end. This budget, so far as this government are concerned, is a complete answer as to where we stand in this connection with respect to the British preference.

The basic principle running throughout the changes in the budget is the transference of a large volume of imports now coming in from the United States to Great Britain, thereby short circuiting our exchange adjustments, which in the past have had to be transferred from Great Britain and the continent to the United States to pay for our excess imports from that country. Our next thought was the consumer. We sought to avoid increasing costs to him by an extension of the British preference.

I now propose to deal with some of the statements made by the hon. leader of the opposition. His first statement was that we had increased taxation and thereby added to the burdens of the Canadian people. That, to say the least, is very misleading.

Mr. BENNETT: It is true.

Mr. STEWART (Edmonton): He set out the amounts of taxation from 1923 to 1930 and stated we had increased the burden of taxation which we derived from the business tax, amounting in 1923 to \$335,000,000 and in 1929 to \$378,000,000. May I simply say, in passing, that I do not intend to go into details to prove my contention to hon. gentlemen opposite. But if we have a larger volume of business on which we raise our general taxation, surely no one is going to be hurt because the amount collected has increased. Individually it does not mean any greater burden. But may I say to the hon. gentleman that he does not take into consideration that not only did we collect more money, but we collected it in the face of reduced taxation, and the general business of the country was so buoyant that even after the reduction of the income tax and general taxation we derived more revenue.

Mr. CHAPLIN: What about the sales tax?

Mr. STEWART (Edmonton): I am going to speak about that in a moment. I hope to satisfy my hon. friend on the sales tax. I am going to repeat to-day what I have said on former occasions with respect to the sales tax. I have no quarrel with his statement that the \$147,000,000 which he sets out in some detail in his speech the other day should be added—and is added—to the general revenues of the country. He states—and I want to