

*Statute of Westminster*

the conference, we could have done what my hon. friends opposite would have done if they had achieved the same success—waved flags and boasted of our achievements. We did not do so. The Prime Minister did not do so; he is too modest for that. But I may say this: with regard to the constitutional side of the Imperial conference we have certainly done as much as our friends opposite did in 1926 or 1929, and the imperial statute in regard to which we are to pronounce ourselves to-night is the final touch given by the Prime Minister of this country to a legal monument which will doubtless mark an epoch in our Canadian history.

Motion agreed to.

Mr. BENNETT moved:

That a message be sent to the Senate to inform their honours that this house has passed an address to His Most Excellent Majesty the King, praying that he may be graciously pleased to cause a measure to be laid before the parliament of the United Kingdom, pursuant to certain declarations and resolutions made by the delegates of His Majesty's governments in the United Kingdom, the Dominion of Canada, the Commonwealth of Australia, the Dominion of New Zealand, the Union of South Africa, the Irish Free State and Newfoundland, at Imperial conferences held at Westminster in the years of Our Lord 1926 and 1930, and pursuant to certain other resolutions made by the delegates of His Majesty's government in Canada and of the governments of all of the provinces of Canada, at a dominion-provincial conference held at Ottawa on the 7th and 8th days of April in the year of Our Lord 1931, in the manner set forth in the said address hereto attached, and requesting that their honours will unite with this house in the said address by filling up the blank therein with the words "Senate and."

And that the Clerk of the house do carry the said message to the Senate.

Motion agreed to.

Mr. BENNETT moved:

That the said address be engrossed.

Motion agreed to.

## WAYS AND MEANS

### SPECIAL WAR REVENUE ACT AMENDMENT

The house in committee of ways and means, Mr. LaVergne in the chair.

Right Hon. R. B. BENNETT (Prime Minister): With respect to the sales tax, it will be recalled that the Minister of National Revenue informed this chamber that the method of collection would be that adopted by the late government and not the method suggested by the resolution. To most members of the house it would appear that the logical method of collecting a consumption or sales tax would be once from the manufac-

[Mr. Dupré.]

turer, apart altogether from imported goods; but for some reason that I have never been able exactly to understand and that I confess I do not yet understand, except that manufacturers sometimes sell to retail merchants and the wholesalers are thereby placed in a difficult position, that method has not been adopted. I have never heard any adequate reason why the sales tax should not be collected from the manufacturers with respect to manufactured goods. This method was, however, disregarded owing to the pressure of those who thought it was not a proper one, the officials still believing it was, and in the end licences were given to wholesalers and to manufacturers as well and the tax has been collected by both.

When these resolutions were introduced a month ago it was believed that the proper method was what the officials considered to be the scientific method of collection, but those who had been long accustomed to the payment of the sales tax through the methods I have mentioned, sent in very strong representations, and in view of the promise I made to the house that in the endeavour to frame this taxation legislation regard would be had to the necessity for dislocating as little as possible the business of the country, the Minister of National Revenue stated that we would revert to the former method of collection. I am bound to say that I have never held a higher regard for my fellow Canadians who have to struggle against very adverse conditions in the transaction of business than I have in connection with this taxation. I cannot recall that a single one of them has objected to the raising of the rate from one to four per cent. Under present conditions it is an amazing thing that men should accept the added taxation and ask only that the method adopted for the collection of the tax be made as simple as possible. Having regard to their experience and their knowledge of the method pursued, by reason of what transpired they would like to revert to the former method. So we agreed to do so.

There came then another question, and one about which I am sure most hon. members on the other side of the house have received communications. A long list of exemptions has been established during the years that have passed since this consumption or sales tax was first imposed. When the statutes were revised in 1927 the list was systematized, and it is a very, very long list. I confess to the committee that I had hoped, by reducing the exemptions, to realize a somewhat larger sum of money under existing conditions, but