

concerned we shall be glad to be governed accordingly. I have been speaking to the assistant government whip and he informs me, after some consultation with members of the house on all sides that it would appear as though the general wish were to adjourn over each of these days, but if the general desire should be to the contrary the government will be glad in the interim between now and Monday to consider any other view.

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, I think the opportunity afforded by allowing the motion to stand until Monday will enable us to ascertain what action is most convenient having regard to all the circumstances, and I shall communicate with the right hon. gentleman accordingly.

PENITENTIARIES COMMISSION

On the orders of the day:

Miss AGNES C. MACPHAIL (Grey-Bruce): Mr. Speaker, may I ask the Minister of Justice (Mr. Lapointe) when he expects to be able to name the commissioner on the royal commission for the investigation of penitentiaries to fill the vacancy caused by the deeply regretted death of Harry W. Anderson?

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, the new appointment will be made at as early a day as possible, and that means pretty soon.

BRITISH NORTH AMERICA ACT

PROPOSED AMENDMENT RELATING TO TAXATION AND GUARANTEE OF PROVINCIAL DEBTS

The house resumed from Thursday, May 14, consideration of the motion of the Minister of Justice (Mr. Lapointe) for an address to His Majesty the King praying that a measure be submitted to the parliament of Great Britain and Ireland to amend the British North America Act with respect to taxation and guarantee of provincial debts.

Right Hon. R. B. BENNETT (Leader of the Opposition): Mr. Speaker, when we rose yesterday I was pointing out to the house that there was no necessity for having any legislation passed by the imperial parliament with respect to the second branch of this resolution. I need hardly point out that section 2 of the resolution contemplates the parliament of Canada passing an act to guarantee the payment of principal and interest and sinking fund of securities of the various provinces which may desire to have this action taken after arrangement with the federal power.

Yesterday it was suggested that we had never guaranteed the securities of provinces. On the contrary, under the provisions of the Relief Act enacted by this parliament, the government in the exercise of the power thus conferred upon it has given guarantees with respect to provincial obligations, the legality of which has never been questioned, nor has it ever been called in question by anybody representing the banks or others. I do not think I need do more than point out that when this parliament has enacted legislation empowering the executive to guarantee the securities of the province, that action has always been taken without question as to either its legality or its validity. Therefore the first paragraph of the second part of the resolution is wholly unnecessary and not at all required for our purposes. I could go into the matter in greater detail but I do not think it is necessary as it is so axiomatic. I do not think any counsel would for one moment suggest that this parliament has not the power to give any guarantee that in its wisdom it may deem it desirable to give.

The next paragraph reads:

The legislature of any province of Canada may, with reference to the principal, interest and sinking fund of securities which the province may from time to time make or issue, authorize the government of the said province to enter into an arrangement with the government of Canada whereby the government of Canada shall guarantee the payment of the principal, interest and sinking fund of such securities.

That requires no legislation. That power now exists and is as complete and amply possessed by every province of this confederation as was possible for the imperial parliament in the plenitude of its powers to confer. Therefore that section is wholly unnecessary.

We come now to the fourth paragraph, which reads:

(1) For the purpose of securing Canada against loss resulting from the giving of a guarantee under the authority of this act, the government of Canada, whenever in its opinion any default has occurred in respect of any payment on account of principal, interest or sinking fund of the guaranteed securities, may:

(a) withhold any payment to the province on account of any grant payable by the government of Canada to the province for its local purposes or for the support of its government and legislature or on account of interest in respect of its public debt or in lieu of public lands or on any other account whatsoever;

(b) effect payment in whole or in part of any such grant by payment direct to a creditor of the province of any amount owing to such creditor on account of the guaranteed securities. In this and the next succeeding paragraph "creditor" shall include a trustee of a sinking fund;