

Mr. DUNNING: In that case, I believe I am correct in stating that the gasoline vendor is made by statute a tax collector for the government.

Mr. BENNETT: Quite so.

Mr. CAHAN: And that is what you are also doing by this process.

Mr. DUNNING: Is that direct or indirect?

Mr. BENNETT: That is direct.

Mr. DUNNING: I admit at once that this has been a fruitful subject for litigation, and, as lawyers sometimes say, the privy council has the last guess. The Minister of Justice says what I, of course, could not say without disrespect, that the privy council sometimes changes its guess. Be that as it may, surely it will be admitted that probably section 1 of the resolution now before the house will limit, if not eliminate altogether, lawsuits of the kind to which I have referred.

Mr. CAHAN: Oh, no; it will largely extend the field for guessing.

Mr. DUNNING: Well, I am sure that the legal profession, which has been having a hard time in the last five years, will welcome any extension of the field of litigation.

Mr. CAHAN: I have no doubt, but we are not legislating for them at present.

Mr. DUNNING: With respect to the other matter, I cannot of course discuss whether the amendments contained in sections 2, 3 and 4 of the resolution are constitutional and necessary; I shall leave that to the Minister of Justice. They constitute, however, the expression of a desire on the part of the government of Canada to get away from the drifting policy of the last five years, and have a relationship with our provinces which is not capable of any misunderstanding or any doubt or litigation with respect to the intent and meaning of the arrangement made. That is our desire, and that desire is based upon a very simple principle. Here I come to an observation made by my hon. friend from Lethbridge (Mr. Blackmore). He disagrees with the terms of section 2 with respect particularly to the words in the fifth line. I will read the first part of the section:

The parliament of Canada may authorize the government of Canada to guarantee the payment of the principal, interest and sinking fund of any securities (hereinafter called "guaranteed securities") which any province of Canada may from time to time make or issue, and, subject to the provisions of this act may prescribe the terms and conditions upon which any guarantee so authorized shall be given.

The last words that I have read are those to which my hon. friend from Lethbridge

takes serious exception, namely the fact that the parliament of Canada, extending the guarantee of the whole of the people of Canada to the people of one province, shall have the right to lay down the terms and conditions under which that guarantee shall be given. The hon. member and others associated with him object to that. I rest my case, in that connection, not upon any legal or constitutional ground, but upon grounds of simple right. The people of any province have the right to borrow money, to use their credit. They have the right to tax themselves. By and by they reach the limit of their spending ability; they reach the limit of their immediate taxing power, and they come to this parliament, representing the whole of the people of Canada, and say in effect: We, the people of one province of Canada, desire the people of the whole of Canada to agree to tax themselves to help us. In simple terms that is what the guarantee means: We, the people of one province of Canada, needing assistance from the people of the whole of Canada, ask the people of the whole of Canada to agree to tax themselves on our behalf.

Mr. BENNETT: Oh, no. They pay the money back out of the moneys to which they are entitled.

Mr. DUNNING: The giving of the guarantee implies beyond all question the use, if necessary, of the taxing power of this parliament to raise the money with which to pay the obligation. The fact that there is a margin of security, which my right hon. friend well knows would be inadequate in most cases—

Mr. BENNETT: No.

Mr. DUNNING: One only requires to examine the figures.

Mr. BENNETT: They could pay the interest.

Mr. DUNNING: If my right hon. friend had studied the figures as to the relationship of provincial subsidies to the amounts of interest involved, even at a scaled down rate, I am quite sure he would not regard the provincial subsidies as very adequate security for the guarantees. In some cases the subsidies are already pledged.

Mr. BENNETT: Then, if they are already pledged, that answers the constitutional argument.

Mr. DUNNING: There might be some doubt as to the constitutionality of the pledge, but that they are pledged in some cases is unquestioned, as my right hon. friend, I think, knows. At any rate, on the question of principle I say this, that when the people of