

as it is a legislature could validly appropriate future payments so as to deprive a government of the future of this revenue.

That is where the situation is complicated, and it applies equally to taxation. No doubt the government of any province may apply to-day the revenue of a special tax for the purpose of paying interest on bonds or even the principal of bonds. But I fail to see in the act any authority to bind future legislatures, and if there is not the amendment which is being sought through the present resolution, the law which appropriates the revenue of that tax for the payment of that bond may be repealed at any time by any legislature of a province. Those, I repeat, are the views of the law officers. I have a great respect for the opinions of my hon. friend from St. Lawrence-St. George. I have great respect and admiration for those of my hon. friend the leader of the opposition. But when it comes to entering into a project which may involve millions, nay, hundreds of millions of dollars to the treasury of the dominion of Canada, surely it is the part of wisdom and of prudence to do what is being done to-day, when the law officers of the dominion are of this opinion.

My right hon. friend quoted this afternoon section 118 of the British North America Act, and upon that based his contention that the provinces had the power at the present time to apply, or to let the dominion apply, part of the grant or subsidy for the payment of those bonds.

Mr. BENNETT: Payment of interest.

Mr. LAPOINTE (Quebec East): Payment of interest. I am going to present certain quotations to show that the dominion has the right to deduct a certain specified sum for a special purpose mentioned therein, and that strengthens my contention that they have no right to do that for other things. By section 111 of the British North America Act, Canada became liable for the debts and liabilities of each province existent at the time of the union. Section 112 reads:

Ontario and Quebec conjointly shall be liable to Canada for the amount (if any) by which the debt of the province of Canada exceeds at the union sixty-two million five hundred thousand dollars, and shall be charged with interest at the rate of five per centum per annum thereon.

The same provision applies to Nova Scotia:

114. Nova Scotia shall be liable to Canada for the amount (if any) by which its public debt exceeds at the union eight million dollars, and shall be charged with interest at the rate of five per centum per annum thereon.

There is a similar provision for the debt of New Brunswick. But what does section 118 say? It enumerates the grants that Canada will make to various provinces, the fixed grants, then the grant per capita, and it says:

Such grants shall be in full settlement of all future demands on Canada, and shall be paid half-yearly in advance to each province; but—

Mark these words:

—the government of Canada shall deduct from such grants, as against any province, all sums chargeable as interest on the public debt of that province in excess of the several amounts stipulated in this act.

Only these sums mentioned in sections 111, 112, 114 and 115, by section 118 may be retained in deduction of the grant that is payable yearly to the provinces.

Mr. BENNETT: But section 118 has been amended.

Mr. LAPOINTE (Quebec East): I am coming to that. My right hon. friend, in answer to my hon. friend from Selkirk (Mr. Thorson) says: Yes, as far as the original provision is concerned, but it has been amended. In 1907 this was amended for the purpose of increasing the grants to the provinces to be paid by the Dominion of Canada. Subsection 6 of section 1 of this amendment to the British North America Act reads as follows:

The government of Canada shall have the same power of deducting sums charged against a province on account of the interest on public debt in the case of the grant payable under this act to the province as they have in the case of the existing grant.

Mr. BENNETT: That is the section which took the place of the repealed section 118.

Mr. LAPOINTE (Quebec East): Yes, except that it is the same provision which is being continued. I read in the address which was adopted by parliament for the purpose of getting this amendment to the British North America Act, and which is a schedule of the imperial act, these words showing that parliament took the trouble to limit to this interest on the public debt the deduction that could be made by the government of Canada. It said:

Such grants shall be paid half-yearly in advance to each province, but the government of Canada shall deduct from such grants as against any province all sums chargeable as interest on the public debt of that province in excess of the several amounts stipulated in the said act.

I submit that the fact that this was mentioned, not only in the original British North America Act of 1867 but in the amendments