

diction of this parliament. If we give the authority to the provinces to impose a retail sales tax, we should abandon the principle of a federal sales tax.

I have no desire or intention to discuss sections 2 and 3 from a constitutional standpoint. I was deeply impressed with the argument made by the right hon. leader of the opposition (Mr. Bennett) and, as a layman, I am inclined to agree with his argument. I believe and I have always believed that the federal parliament had absolute power to make agreements with the provinces, and I believe that the provinces have the power to make agreements with this parliament or with the government of Canada. Therefore I agree with the argument of the right hon. leader of the opposition that it is not necessary to make amendments to the British North America Act in order to make loans or advances to the provinces. I am not going to labour that point as it has been dealt with so ably and I shall leave it at that.

I also agree with the point raised by the right hon. gentleman that the language used in this resolution implies that the provincial legislatures, on the one hand, and the dominion parliament on the other, have been acting in an unconstitutional manner. I do not think we should place in any resolution to amend the British North America Act any language that would leave any question whatever as to the constitutionality of our actions in the past. I urge very strongly that the Prime Minister (Mr. Mackenzie King), the Minister of Justice (Mr. Lapointe) and their colleagues should give careful consideration to this point.

May I say this to the leader of the government? In offering these observations, I do not do so as a reflection upon the government. This is an extremely difficult matter with which to deal and I am not criticizing the government personally for any imperfections which may appear. I am sure the Minister of Justice will respond to this advance. Neither he nor his staff should feel there is any reflection upon them because these suggestions are made. I appeal to him carefully to study the suggestions that have been put forward from all sides of the house, and, I imagine, from some of his own supporters, as to redrafting the resolution.

Mr. LAPOINTE (Quebec East): Oh, no.

Mr. STEVENS: The Minister of Justice says, oh, no; well, I will leave it at that.

Mr. LAPOINTE (Quebec East): We have been working on the resolution for three months.

Mr. STEVENS: Let me assure the minister that there is no desire to reflect upon his work or that of those who worked with him, but I cannot agree with the form in which the resolution now appears.

Let me deal with the point raised yesterday by the leader of the social credit group, the hon. member for Lethbridge (Mr. Blackmore). Part of the language in section 2 gives me some concern, and I should particularly like the Minister of Justice to listen to the arguments of a layman on the point. Again I am not arguing it legally, but I am raising what is at present a doubt in my mind. The minister may be able to reassure me, and, if so, I shall be pleased to hear him. The hon. member for Lethbridge raised a question about this language:

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, and the provisions of this act shall, in the event of any such guarantee being given, apply and have full force and effect—

I ask the minister particularly to follow the next few words:

—notwithstanding anything contained in the British North America Acts, 1867 to 1930, the British North America Act, 1907, the parliament of Canada Act, 1875, the Canada (Ontario Boundary) Act, 1889, the Canadian Speaker (appointment of deputy) Act, 1895, session 2, or any acts, orders, rules and regulations passed or made thereunder or pursuant thereto, establishing a province or admitting a colony or province into the union, or affecting the constitutional relationship between Canada and a province.

That is sweeping language. In other words, my interpretation in the plain ordinary language of a layman is that it authorizes the government of Canada to make loans to a province, but—the minister shakes his head—

Mr. DUNNING: To guarantee payments.

Mr. STEVENS: The correction is justified; it authorizes the government of Canada to guarantee principal and interest, but such action or agreement, no matter what it is—

Mr. DUNNING: Subject to certain provisions.

Mr. STEVENS: —yes, will be subject to the provisions of this act, and all these other acts, powers, authorities and safeguards whatsoever they may be, are not effective. The Minister of Justice laughs; am I wrong?

Mr. LAPOINTE (Quebec East): It is the usual language in all amendments which have