

cause every provincial government is friendly to the dominion government of the day, it is proposed to transfer, against the spirit of the British North America Act, to the provincial capitals the absolute power to impose indirect taxes, and the entire government of Canada is being run from provincial capitals. I wish to protest against this course, and I do so as the representative of a riding in which there is a very large number of retail merchants. Not satisfied at the first session with taking away from the municipalities the right to impose income tax, the government now goes further and is intending to give the provinces, by this resolution, the power to impose the indirect taxes I have referred to.

I do not believe that this parliament can interfere with bonds and guarantees and debentures signed on behalf of the municipality by the mayor and the treasurer. I have signed thousands of these debenture bonds and guarantees and treasury notes in advance of the taxes being collected. They are endorsed by the mayor and treasurer of the municipality, and have been sold all over the world. In the bond agreement is given the assessment of the municipality and the revenues with which the fixed charges are to be paid; yet without this matter ever going before a committee, what are we doing? We are going over the heads of the municipal institutions of this country, trying to make nothing more than scraps of paper out of these bonds and debentures which have been sold for hundreds of millions of dollars and which involve light, power, transportation and other utilities.

I wish to protest against this sort of thing. If this is what Liberalism in Canada amounts to to-day, the sooner there is a change the better. The people owning these bonds are located all over the world, in New York, London and every other city of any size. They will be an added complaint in the old country to-day over this kind of thing when it affects municipal securities and depreciates them. Now we are going to hand over to the provinces the right to levy both direct and indirect taxes. As I see it this is remedial legislation of the worst sort. We have never had legislation of this kind before, upsetting as it does the whole principle of confederation. The provinces have been getting along very well with their subsidies, their power to impose direct taxation and the federal hand-out of \$111,000,000 to four western provinces. So I do not think this resolution should be passed until we have the opinion of the Supreme Court of Canada as to whether or not parliament has the power to pass this resolution in its present form.

[Mr. Church.]

Then, Mr. Speaker, I think the people should vote on this question. No mandate has been given in connection with it. The provincial premiers came here to see the government, and they got out a blue-book of that so called conference. The premiers asked for indirect taxation also. What right has the provincial cabinets of any province without the consent of the nine legislatures to barter away the bonds, guarantees and securities of municipalities and depreciate them? Does the provincial legislature consist of only one or two members of the cabinet? Are we back to the family compact of a hundred years ago, not only in Ontario but also in British Columbia and the maritimes? What right have provincial cabinets to come here and try to make a bargain with the government of the day in a conference room, over the head of the sovereign legislature and contrary to the wording of section 92 of the British North America Act, in which the sovereign powers of the provinces are set out to get added indirect taxation powers. I say the provinces have no right to do that, and it seems to me the sooner that sort of family compact with federal power is broken up the better it will be for the municipalities of this country. This indirect taxation is just about going to abolish municipal institutions by abolishing and grabbing their revenues and render them more bankrupt. Why does not federal power help the municipalities?

I also contend that this resolution is irregular, though I do not wish to urge this point strongly to-night. I am sorry that I was misunderstood yesterday. I always like to abide by your rulings, Mr. Speaker, and by the will of the house. I appreciate the difficulties of the government to-day in dealing with the many important problems before them, some of which were not of their making. Some were not of the making of the preceding government but were created by the war and the disturbance of industrial equilibrium which followed. I sympathize with any man who is premier or a cabinet minister to-day or at any time and who is trying to bring about harmony and order in this dominion, which is loaded up with provincial legislatures that we never should have had at all. That is where the mistake was made in the first place at confederation. However I wish to say that under the anticipation rule I fail to see how a part of the resolution of a private member can be incorporated in a government measure. As I read the rules of the house, and the authorities, even though government business