

This would come among those subjects, and consequently it would give the exclusive power of retail sales taxation to the provinces.

But section 91 is the section which gives the powers to the federal parliament, and in that section we find this statement:

It shall be lawful for the queen, by and with the advice and consent of the Senate and House of Commons, to make laws for the peace, order and good government of Canada, in relation to all matters not coming within the classes of subjects by this act assigned exclusively to the legislatures of the provinces; and for greater certainty, but not so as to restrict the generality of the foregoing terms of this section, it is hereby declared that (notwithstanding anything in this act) the exclusive legislative authority of the parliament of Canada extends to all matters coming within the classes of subjects next hereinafter enumerated, that is to say,—

3. The raising of money by any mode or system of taxation.

This power is given exclusively to the parliament of Canada by section 91. Then at the end of the section appear these words:

And any matter coming within any of the classes of subjects enumerated in this section shall not be deemed to come within the class of matters of a local or private nature comprised in the enumeration of the classes of subjects by this act assigned exclusively to the legislatures of the provinces.

Surely the parliament of Canada has the right to raise money by any mode or system of taxation, and whatever is stated in section 92 is specifically mentioned not to affect what is stated in section 91. I am sure that any hon. member, whether a lawyer or a layman, may read the British North America Act, either separately or as it is found in the book of rules, and come to the conclusion that at least on this point my right hon. friend opposite was certainly wrong in the statement he made last night. Indeed, if he were right, even now we would have no right to direct taxation. No person claims that we have not that right.

As has been stated, this tax may be delegated to the municipalities, and of this my right hon. friend, and more particularly the hon. member for St. Lawrence-St. George are very much afraid. They are afraid that the provinces may empower the municipalities to impose retail sales taxes, and they have fears as to the consequences. Well, the right to use a power does not necessarily mean an abuse of that power. I hope in the future, as at present, legislatures may be composed of men of common sense, and we must assume that they will act as men of that kind would act. The same argument has always been raised against any new move or reform. When self-government was first sought there were always some who were afraid of the use which would

[Mr. E. Lapointe.]

be made of it by those who did not have it before. Even after the conference of 1926 I listened in this house to debates in which some hon. members expressed their fears that the new powers claimed by the dominion parliament might be abused. I think the hon. member for St. Lawrence-St. George was one of them. In connection with the shipping act, dealt with in the report of the imperial conference of 1926, he asked me this question: "If you eliminate Canada from the control of the provisions of the shipping act, by what will you replace them?" I answered, "We will replace them by Canadian laws made by Canadian legislatures and a Canadian parliament." I believe the same applies to-day. Why be afraid that the provinces will not use their powers of taxation in a straightforward, honest, correct and useful way?

I now come to the second part of the resolution, a part which my right hon. friend says is not necessary because we already have the powers it seeks. Of course this does not harmonize with the fears of the hon. member for Lethbridge (Mr. Blackmore), or those which the hon. member for Kootenay East (Mr. Stevens) expressed this afternoon. If we already have the powers indicated in the resolution there can be nothing so dreadful about adopting its terms. May I repeat that the main part of the second division of the resolution is found in section 4. Sections 2 and 3 appear only to lay the foundation for section 4, and are included in order that the whole structure may be clear and that everybody may understand clearly the amendments being made. Notwithstanding any views to the contrary, we needed the amendments more particularly to effect the remedies mentioned in the resolution which would protect the Dominion of Canada on guarantees given to the provinces.

Mr. BENNETT: But they are by contract with the provinces.

Mr. LAPOINTE (Quebec East): Yes, by contract with the provinces. Let us consider subsidies. The principal of these is payable to the provinces by virtue of the section in the constitution which states that the subsidies will be payable yearly to the provinces for the support of governments and legislatures. No doubt local purposes mean provincial purposes, and the provincial legislatures might appropriate every year some of the subsidies for the payment of interest or even the principal of bonds. At the same time the constitution contemplates that the governments of the provinces should each year receive the revenues so provided, and I think it doubtful—the law officers of the crown think it cannot be done—that with the act