

a very high rates for the purpose of assisting us to do what I am glad to see the Minister of Finance endeavouring to do, that is, to come somewhere near meeting the annual expenditures of this dominion.

In view of that result; in view of the door that you are opening up to excessive taxation; in view of the fact that, even if you do not extend dominion taxation, just between the dominion and the province you are now authorizing a turnover tax upon everything sold in the retail trade of this country, do you not think parliament should hesitate before passing this address in the form in which it is expressed and without more consideration than has been given it by the public? I have looked through the report of the recent dominion-provincial conference. I listened to the suggestion of the Prime Minister when he laid that report upon the table, that for the first time in recent history there was laid upon the table a full, complete and accurate account of what had transpired at a dominion-provincial conference. Therefore with hope and expectation I took up the volume, thinking I would find some definite information which I had never been able to obtain from a public document of that kind, but I found nothing. I found nothing of any discussion that took place, either in the conference itself or in the meetings of the several committees, which disclosed that there had been any clear, intelligent and earnest effort to ascertain what this proposed amendment would mean to the people of Canada and to the trade and commerce of this country. In fact I could not find a single reference to that. I may have overlooked something; it is some days since I examined this report and perhaps my memory is not as good as it used to be, but I do not remember finding a single suggestion in the whole report that it was proposed to transfer to the provinces authority to levy indirect taxation on all retail sales.

I suggest, therefore, that such an important change in the operation and administration of the finances of Canada should not be made, or at least such an amendment to the constitution of Canada should not be made until this proposition is laid before the people of Canada generally so that there may be full, fair and frank discussion of its import and of its prospective results. On that ground, therefore, I am opposed, and must express my opposition, to the first part of the address.

There is a further point. I do not intend to return to the question of what the patronage of hotels means. I do not know. It may mean that I must pay a tax every time I

[Mr. Cahan.]

enter the door of a hotel in order to buy a cigar, as I sometimes do in the city of Montreal on my way from my residence to my office. Does it mean a tax on the entire receipts of the hotel from all the people who attend that hotel during six months or a year? It is indirect, and therefore you can compel each hotel in each city and town to make a return under oath at the end of a month or a year showing the entire receipts of the hotel from its customers, from those who are lodging there or others who may be transient visitors.

Mr. BENNETT: Excluding liquors and beers.

Mr. CAHAN: Except the purchases of their liquors, cigars and cigarettes. But upon the entire receipts of the hotel, with the exception of those of the bar, you can compel returns and impose a very heavy retail tax upon them. The scope will be wide, if it is carried out to the full extent that it may well be carried. As a result, I suggest that in the course of the next two years the Minister of Finance will be on his knees before the provincial governments praying that they come to his aid and share with him something of the spoils they will be able to acquire out of this amendment to the British North America Act.

Mr. DUNNING: That is a new thought.

Mr. CAHAN: Well, it is an obvious thought, when one compares the greatly reduced revenues we obtain annually from customs taxes, revenues which I believe are to be still further reduced—at least I thought I heard that suggestion from hon. members on the Liberal side of the house who discussed the budget.

Mr. DUNNING: I think the hon. member may depend upon the volume of revenue returned being rather higher.

Mr. CAHAN: I should hope so. If retail sales are to be taxed to any extent provincial authorities may desire, we will undermine and involve in extreme difficulty the whole administration of federal finance.

The address contains these words:

(2) The said clause 2A shall be deemed to have retroactive effect with respect to provincial legislation in force at the passing of this act.

Well, I confess that when some doubts were expressed as to the original admission of Manitoba under a clause of the British North America Act which provided for the admission of Rupert's Land, as Rupert's Land was somewhat more extensive than that part of it which was described as Manitoba when Manitoba was formed into a province, it was deemed expedient in dealing with an important con-