

provinces instead of giving them the power to levy and collect their own revenues by taxing their own people with the authorization of their respective legislatures. As I say, that is the alternative, and as far as I am concerned I am inclined to favour letting the provinces possess the power of using this method of taxation which they have been employing during the last few years.

As to the question whether it is desirable that the provinces of a federal state should have this power, it is to be observed that it is possessed by members of other confederations. In the nation to the south of us the states have the power of indirect taxation, except customs and excise—the very thing that our provinces have been asking for, and which we are not willing to grant them, even at this time. In Australia they have the same difficulties as we have. But this consideration would apply more to the second part of the resolution, though it will be noted that the statutes of Australia empower the commonwealth parliament to come to the relief of the states when they are in financial difficulties and to lend them money, in a way which is not mentioned at all in our own constitutional act.

It is the unanimous wish of the provinces that this should be granted to them. They have accepted it, although they wanted more. The drafting of the amendment was their work as well as that of the law officers of the crown, and this amendment meets their views.

The power of indirect taxation is not given to them except with regard to the retail sales tax, and from this tax are excepted certain commodities upon which there is already a very high rate of customs or excise duty, so that it was thought undesirable that the provinces should invade this field. There is another exception, as to goods which might be sold and delivered outside the limits of a province; this, according to the experts of the finance and other departments, can be easily adjusted. The financial advisers of the government have approved of the scheme which is embodied in this resolution.

The second matter mentioned in the resolution, and which is a subject of this amendment, is the provision of some method of financially helping the provinces. I believe it is the universal opinion in Canada that the system of lending money to and piling debts upon the provinces by the Dominion of Canada must be ended. This is for the purpose of helping the provinces when financially embarrassed to obtain the guarantee of the dominion government, subject to certain conditions, for their borrowings and to em-

[Mr. F. Lapointe.]

power them to give securities to the dominion in pursuance of that guarantee. Here, again, all the provinces through their representatives have agreed. Most of them stated that they would not take advantage of the scheme which may be devised in virtue of this agreement, but they are all agreed that they and the dominion should have the power, if it comes to a special difficulty, to take advantage of it.

The question of a loan council, which is not referred to at all in this amendment, is a matter that may be discussed later. If it should be established it would be for the purpose of devising a method of coming under the provisions of this amendment, but that question does not come within the sphere of the discussion of this resolution. It is not fair that the present system should continue without some guarantee of this kind. It is not fair to the provinces concerned; it is not fair to the dominion, and more particularly it is not fair to the other provinces which are meeting their obligations, and which would have to share the loss if anything should happen to prevent the reimbursement of the loans made by the dominion to some province. In some newspaper, within the last week or two, I read that this was a colonial move, which would subject Canada to imperial control, and all that sort of thing. Well, Mr. Speaker, I claim to be a good Canadian national, and I think I am as jealous as anyone of the autonomy of Canada. I fail to see where anyone could find any such thing in this address. Quite the contrary; this amendment will empower Canada to settle its own financial affairs; it is designed to create some structure which will permit Canada to deal with its own problems, in its own way, by its own citizens. How could anyone find some dangerous imperial scheme behind it? I fail to see it, and if someone else sees it I wish he would explain it to me.

I have taken longer than I had intended, Mr. Speaker, but I repeat that this amendment is for the purpose of enabling the dominion and the provinces to try to solve their present difficulties. As a Canadian I have the hope, and I am quite sure, that Canadians will find a way to deal with their difficulties and that the provinces and the dominion will cooperate in the future as they have in the past. It is with that hope that I submit this resolution and ask for the support of the house.

Hon. C. H. CAHAN (St. Lawrence-St. George): Mr. Speaker, the address now under consideration has been divided by the Minister of Justice (Mr. Lapointe) into two