

a provincial income tax on a city, though the municipalities have had this whole field of taxation exclusively from confederation to 1918, and the income tax was reserved from confederation to 1918 for the municipalities to enable them to pay their debts. As soon as a municipality finds a new source of taxation under the British North America Act, the provinces grab it, and the federal authority takes away another source of revenue to which the municipalities are entitled under the act of confederation. Not satisfied with that, the provinces have taken away from the municipalities the exclusive field which they have always had of income tax by virtue of the British North America Act, and are collecting duplicate income taxes to which the municipalities are entitled. I never like to oppose a tax; I try to pay my taxes, if I may say so, gladly and willingly, but I assert that the imposition is an unjust one as far as the municipalities are concerned. Further, the method of this collection is indirect. There was no notice to the municipalities, and I predict that in a year those who passed it will be glad to rid themselves of it, because it is going to lead to a lot of trouble.

This resolution in its taxation feature is illegal and ultra vires of this parliament. Under this resolution parliament proposes not only to allow federal taxes to be imposed but to permit the provinces to impose duplicate indirect taxes on business men, and dear knows that the business men are struggling enough now to pay their bills. With all the artificial barriers and burdens they have to contend with, I do not know how they conduct their business. This provision is to help the bankrupt provinces out, not every province in the dominion. The western provinces, with the exception of British Columbia get this hand-out. The provinces can now impose a direct tax on business men; yet the government is proposing to give the provinces the right, with the exceptions named in the resolution, to levy an indirect tax on retail sales other than of all alcoholic beverages, spirits, malt, tobacco, cigarettes and cigars which are subject to customs and excise duty or tax in Canada or other than all goods and articles for delivery without the province. Of course, that is a federal provision. Wait till I show you how they are going to rob municipalities. They are robbing Peter to pay Paul; that is what the principle amounts to.

This resolution never should have come before the house. If the government wants to amend the British North America Act, let us have some petitions for it first. Let us start with getting social legislation for the

workers. Who is asking for this legislation? Some of the bankrupt provinces that cannot pay their debts. Why should the central provinces, which are endeavouring to pay their debts, and pay eighty per cent of cash federal taxes, be imposed upon in this manner, by our conferring the right of indirect taxation so that every business one can think of will be taxed. Why should the powers of this parliament be diminished in this manner? There are many former members of municipal councils in the House of Commons to-day. I am surprised that they will sit idly by and see these barriers put on business and revenues taken away from the municipalities. What it amounts to will be confiscation of property. By the third clause of this resolution the government is handing over to the provinces the right to take municipal revenue. We have to maintain a city police force to protect life and property. This parliament is going to take away a lot of revenue in the way of licence taxes set out in clause 3, a source from which the city of Toronto raises a large revenue by means of the police commission and licensing. That is how we are helped to help maintain the police force. In Australia and New Zealand the capital cities get a subvention to help them maintain their police forces. In this country we are about to take all the money that is derived from the licence fund, from amusements, hotels, beverage places, all kinds of retail establishments in which various articles are sold, and which yield a large revenue to the cities, and hand it over to the provincial authorities in order to raise revenue for provincial purposes, and to help the province balance its budget at municipal expense. I cannot speak officially for the municipalities, but I am safe in saying this, that this matter will go to the privy council; it will be and should be contested, like all past legislation along this line. I do not know how business men, retail and wholesale merchants, with all this indirect and direct taxation that is being handed over to the provinces, will be able even to pay the rent of their stores.

I may add, having looked at the decisions, that the municipal scope of taxation is so seriously interfered with that the municipal institutions of this country might as well be abolished. If the provincial governments are ready to take over and run the municipalities of Canada, it will be a sorry day for Canada. A vote should be taken to abolish provincial legislatures. Altogether it amounts to this, that by this resolution the government of Canada is going to be transferred to the capital cities of the provinces. That is how the country is being governed to-day. Be-