

Mr. THORSON: Has the right hon. gentleman given consideration to the words used in section 118, respecting the provincial legislatures, and the question whether these words might not constitute a trust binding both upon the dominion and upon the provinces?

Mr. BENNETT: I certainly can answer that question. Section 118 states:

The following sums shall be paid yearly by Canada to the several provinces for the support of their governments and legislatures.

That money becomes subject to the appropriations of the legislatures of the provinces—by statute; the supply bill. Therefore if a legislature in the exercise of its discretion indicates that for that province and for that legislature it is desirable to secure a dominion guarantee, and that the moneys made available shall be utilized for the purpose of making good obligations created, they have it within their power. These moneys enter into general revenue funds and become subject to the appropriation bill, the supply bill, such as you see from year to year in the statutes of the various provinces.

Mr. THORSON: But the question which occurred to me was whether those moneys might not first have to go to the provincial legislatures and governments.

Mr. BENNETT: I remember that point being raised on one occasion. Is not the answer to it, and is it not a fairly conclusive one, that if the legislatures deal with the money as being in their hands, by antecedent action of the legislature, that answers the question? I quite agree with what the hon. member has said, namely, that you might say that a legislature must have supreme and complete control over the subsidy money, but that power is complete if the legislature acts upon the matter in the way I suggest. In other words, if the statute is passed by the legislature by which it provides that moneys that are under its control shall be utilized for a given purpose, then it has constitutionally exercised its powers.

Mr. DUNNING: Even on a future occasion?

Mr. BENNETT: Yes, certainly. Obviously the power can be exercised antecedently to the time when the money has actually been placed there. The reason is this—

Mr. THORSON: There may be serious doubt.

Mr. BENNETT: There may be doubt about it, but this resolution is not drawn on that basis, and in my own judgment I certainly would have no difficulty in arguing as to the

[Mr. Bennett.]

validity of any action which might be taken as to an agreement supported by statute of any province in this dominion and that of the parliament of Canada, in the first instance. And I do not think any person would seriously question it if they took time to investigate the whole matter from its fundamental foundation, onward. Why? Because section 118, in its terms says that this is a complete settlement. But it was not a complete settlement; it has not been. There have been changes from year to year; there have been increased subsidies. Who varied that settlement? This parliament varied it, by arrangement with the provinces. Having made arrangements or agreements with the various provinces, this parliament took action to increase the sums of money provided for in section 118.

Mr. DUNNING: Always by reference to the imperial parliament.

Mr. BENNETT: I will come to that; I am perfectly familiar with that phase of the matter. The late Sir Richard McBride went over to argue before the imperial parliament that such arrangements should not be final, and the imperial parliament said that the statute came from the Dominion of Canada, and coming from the Dominion of Canada it must be taken that they were exercising their power of amending our statute, pursuant to the request it had received. It will be recalled that that involved an increase of subsidy.

But there has been no ratification by the imperial parliament. There was no ratification in the sense that it was required. If hon. members will read the debates of that time and the words of Sir Wilfrid Laurier made at the time these increases were being granted, he dealt with them as being finally—

Mr. MACKENZIE (Vancouver): The words are "finally and unalterably."

Mr. BENNETT: The word "unalterably" had escaped me, but no doubt "finally and unalterably" are the words. It was those words Sir Richard McBride protested against. The point I wish to make is that successive governments of this country have endeavoured to secure finality and unalterability by taking that method. But so far as we are concerned, does anyone suggest that we require an amendment from Westminster to enable the legislature of the province of Alberta to make provision as to what it shall do with its moneys, to make an agreement as to the application of the revenues it derives? Does any one suggest for a moment that this parliament requires additional powers from West-