

A SURVEY OF
DOMINION-PROVINCIAL CONFERENCES
1906 - 1941

By

DARRELL THOMAS BRAIDWOOD

An essay submitted in partial fulfilment
of the requirements for the degree of
Master of Arts in the Department of
Economics and Political Science

The University of British Columbia

September 1941

TABLE OF CONTENTS

CHAPTER I	The Dominion-provincial Conference In Canadian Government	Page 1
CHAPTER II	The Conference of 1906 <i>major</i>	Page 5
CHAPTER III	The Conference of 1915 <i>minor</i>	Page 19
CHAPTER IV	The Conferences of 1918 <i>major</i>	Page 22
CHAPTER V	The Conference of 1927 <i>major</i>	Page 28
CHAPTER VI	The Conferences of 1931 and 1932 <i>minor</i>	Page 45
CHAPTER VII	The Conference of 1933 <i>minor</i>	Page 49
CHAPTER VIII	The Conferences of 1934 <i>minor</i>	Page 53
CHAPTER IX	The Conference of 1935 <i>major</i>	Page 56
CHAPTER X	The Conference of 1941 <i>major</i>	Page 79
CHAPTER XI	The Future of the Dominion- provincial Conference	Page 97

* * * * *

APPENDIX I	List of Delegates to the Dominion-provincial Conferences	Page 107
------------	---	----------

APPENDIX II	State-Federal Governmental Conferences in the Commonwealth of Australia	Page 116
-------------	---	----------

* * * * *

BIBLIOGRAPHY	Sources of Information	Page 126
--------------	------------------------	----------

* * * * *

CHAPTER I
THE DOMINION-PROVINCIAL CONFERENCE
IN CANADIAN GOVERNMENT

A federal system of government, such as that under which the Dominion of Canada functions, involves a division of the powers of government between the central and provincial authorities concerned. Since both the powers and the interests of these authorities in many cases overlap, it is essential that there be cooperation between them if the government of Canada is to be carried on with the most advantage to all. Where interests conflict there must be some process of give-and-take if harmonious relations are to be maintained between the governments concerned. A recent Royal Commission has expressed itself as follows:

"Despite the undoubted advantages of a federal system of government it is liable to have certain inherent defects. Two of these are rigidity and inelasticity in the division of powers between the central and provincial (or state) authorities, and a lack of means of cooperation between autonomous governments in matters of common interest."¹

To promote cooperation between the various governments and to attempt to eliminate rigidities, it is natural that representatives of the governing bodies should meet in conference. Such meetings have occurred and have been of two main types--interprovincial conferences and

1 Report of the Royal Commission on Dominion-provincial Relations, 1940, Vol. II, p. 68. Hereafter referred to as the Rowell-Sirois Report.

Dominion-provincial conferences. The former are defined as being:

"Those conferences between provincial representatives in which the Dominion government either did not participate at all or did so only upon invitation."²

The latter are defined as being:

"Those conferences summoned by the Dominion Government or in which that government took an active part."³

The conference might well be termed an "unofficial" addition to our government. Under the Canadian constitutional arrangements, the conference has no official status. It has no power but that of offering an opportunity for discussion which may or may not influence future policy of the governments concerned. Nevertheless, if the governments wish to place high value on the conference as a unit of government, it will automatically assume a more important role. It may be recalled that the cabinet system of government exists in Canada, not because it is set out in a written constitution but because the will of the people, as expressed through the members of parliament, desires its existence.

This paper deals with the Dominion-provincial conferences only.⁴ The first of these Dominion-provincial conferences was called in 1906 and since that time, conferences have been held at varying intervals--and with varying results. Certain meetings have been more important than others but all

2 Rowell-Sirois Report, p. 68

3 Ibid, p. 68

4 In some cases accurate records are not available and reliance must be placed upon press reports.

have had some bearing on the relationships between the various governments in Canada. The conferences have been of two types--the major conferences, dealing with Dominion-provincial relations in general and the minor conferences called to discuss a few specified issues. Major conferences have been held in 1906, 1918, 1927, 1935 and 1941, with minor conferences being held in 1910, 1915, 1931, 1932, 1933 and 1934.

In studying these conferences, it is important to consider both the subject matter and the organization. The subject matter of the past conferences is important as a record of what has been accomplished and as an indication of what might be achieved in the future. Conferences on certain subjects have met with evident success. The mere mention of certain matters has, on the other hand, caused conferences to close in chaos. The organization of past conferences has its important aspects, too. For by studying the organization plans of earlier conferences, it is possible to discover some of the reasons for the success or failure of these conferences.

In the following chapters, a survey of both the subject matter and the organization of the Dominion-provincial conferences has been attempted. As a survey, much of the work must needs be a recitation of Conference records and minutes. However, in an attempt to give a broader and more revealing picture, addresses of political leaders and private citizens, newspaper and periodical comment, and extracts from

from the studies of the Royal Commissions on Dominion-provincial Relations have been included.

In studying these conferences, several questions should be considered. What has been their substance? What has been the general atmosphere surrounding them? What have been the results--both tangible and intangible? What factors have contributed to their success or to their failure? What hope is there for the future productiveness of such conferences? What steps could be taken to make them more productive?

In the consideration of these questions, it must be kept in mind that the basic idea underlying the conferences is to bring together the representatives of the Dominion and Provincial governments so that they may discuss conflicts between them and common problems, and perhaps devise common remedies for such difficulties, thereby serving the best interests of government in Canada.

CHAPTER II

THE CONFERENCE OF 1906

Many of the difficulties of federal government became apparent soon after Confederation. Expenditures were rising without a corresponding increase in income. The provinces, facing heavy debt charges, and with no revenue sources to meet them, were in a particularly bad position.¹ In 1887 representatives of five of the provinces² decided to meet together to discuss mutual problems. Although an invitation to attend was sent to the Dominion government, the latter declined to participate. The conference, however, was held and the main discussions were on the matter of Dominion subsidies to the provinces. As will be shown later, a plan was evolved for an increase of these subsidies. Nothing, however, was done about this plan in the ensuing years. Mr. Wilfred Eggleston explains this failure as follows:³

The Provincial Conferences of 1887 and 1902 were, in fact, political expressions of fiscal need on the part of certain provinces. The former, called by Mercier, and, warmly supported by Fielding, then riding the crest of a "secession" wave in Nova Scotia, proceeded to pass resolutions calling for substantially

1 See Dominion-provincial Subsidies and Grants, Royal Commission on Dominion-provincial Relation Studies, 1939, p. 30 - 34, W. Eggleston & C. T. Kraft.

2 { Prince Edward Island and British Columbia were not represented. For an excellent discussion of this period see "Provincial Conferences & Better Terms" by J. A. Maxwell. Proceedings of the Canadian Political Science Association, 1934. Jackson Press. Kingston. p 162-174.

3 Idem. p. 30 - 31

increased grants.....There were both political and financial reasons why these requests were not granted. Sir John A MacDonald treated the conference as an affront to the Dominion Government and as inadequately representative of the provinces. Besides there was no surplus to distribute. The Dominion budget had reported heavy deficits on ordinary account in 1885 and 1886 and a policy of limiting borrowing from the London market had been inaugurated in 1887 to keep Canada's credit sweet, and her interest rates low.

Finally in 1902 another interprovincial conference was called under the auspices of the government of Quebec⁴ to discuss subsidies. Certain alterations were made in the resolutions made in 1887.

Still the Dominion government took no action on the matter. However, the provinces continued their pressure on the leaders of the Federal Government, both publicly and privately. Meanwhile federal revenues were increasing, due to some extent to provincial development. In several statements made by Sir Wilfred Laurier, there were suggestions favoring a Dominion-provincial conference, however, action was postponed. Then in October, 1905, the provinces sent a note to Ottawa asking for such a meeting. Finally on September 10, 1906, Sir Wilfred Laurier addressed the following communication to the Premiers of the provinces:

4 The Report of this Conference may be found in "Proceedings of the Inter-Provincial Conference held at the City of Quebec from the 18th to the 20th day of December, 1902, Inclusive" SESSIONAL PAPER 68, Session Papers, 1903, Vol. XXXVII, No. 13.

Sir,-

In accordance with the request of the Provincial Governments for a conference with the Dominion Government to discuss the financial subsidies to the provinces, I beg to inform you that such a conference will take place at the City of Ottawa on Monday, the 8th of October next, at eleven a.m., which you are invited to attend.

Your obedient servant,

(signed) Wilfred Laurier

With this letter, he summoned together the first Dominion-provincial Conference in Canada's history.

The provinces accepted the invitation and sent⁵ their delegates to Ottawa.

At the opening meeting, after brief speeches of welcome, the Conference elected the Hon. Lomer Gouin, Premier of Quebec to be Chairman. The subsidy question, the main reason behind the calling of the conference was the first matter of consideration. Quebec, under the⁶ leadership of the Hon. Lomer Gouin had been particularly active in this regard. Mr. Gouin had visited the Maritimes and Ontario in an attempt to persuade these provinces to demand reform from the Dominion Government. Ontario was somewhat doubtful for she feared she would have to shoulder too large a part of the burden brought about by increased subsidies. In a statement to the "Globe", Toronto, on

5 See Appendix I

6 Professor Maxwell attributes the calling of the Conference to the fact that Sir Wilfred Laurier needed to consolidate the Liberal position in Quebec and felt he could do so by granting Mr. Gouin's demands. Provincial Conferences and Better Terms, p. 165 - 166.

September 2, the Hon. Mr. Whitney, Premier of Ontario, stated in reference to the celebrated 1902 resolutions on subsidies:

"The present Government was not then in office, and while we will attend the coming Conference we do not feel committed to the terms of the Resolutions adopted in 1902 or to the reasons given for their adoption at that time."

Manitoba with a Conservative government, was bitter toward the Dominion Government over the lands question.

British Columbia's obvious desire for increased subsidies was seen in an article in the Daily Colonist, Victoria, on January 14th, 1906.

"B. C. is the only Province in the Dominion in which there is direct taxation...In any of the other eight Provinces a proposition to impose direct taxes would, as an Eastern exchange expressed it, put and Government 'out of business' that attempted it. In B. C. it would be impossible to conduct public business without resort to taxes."

The Federal Government's attitude to the matter may be seen in a speech made by the Hon. Mr. Fisher, Minister of Agriculture, at Knowlton on September 6th, 1906, just four days before the Prime Minister issued his invitation. Mr. Fisher said in part,

"...I can say that Sir Wilfred Laurier has arranged within the next few weeks to meet the Premiers of the various Provinces and to listen to the case they are able to make out for an increased subsidy. I am also right in assuring the people that if the case made out be good and strong we will have to yield to it...but they will have to make it good and strong before we can yield to it."⁷

In October the provinces and the Dominion Government assembled to discuss the problem of subsidies. They did not

meet on equal terms. Rather, the provinces met the Dominion in the manner of a family, headed by a father, tolerant to hear the opinion of his children, but nevertheless firm in the conviction that he was the head of the house. And throughout the Conference, the father, Sir Wilfred Laurier, controlled the proceedings.

The provincial delegations first met together to discuss the demands they would make to Sir Wilfred Laurier and the Dominion Government. The first resolution passed by this group was:

Whereas the members of this Conference are of opinion that it is desirable in the interest of the people of Canada and essential to the development of the provinces that an immediate provision be made for an increase of the subsidies granted by the Dominion to the several provinces and for the award to the provincial governments by Canada of an amount sufficient to meet the costs of the administration of criminal justice, not exceeding twenty cents per head of the population;

Therefore, it is unanimously

RESOLVED--1. That the subject matter of the resolutions adopted by the conference of the representatives of the several provinces, held at Quebec in December 1902, and which were shortly thereafter presented to the Government of the Dominion and which were ratified by the legislatures of the then existing provinces, except that of British Columbia., be now pressed upon the Government of the Dominion for immediate and favorable action, under a reserve of the right of any province to now submit to such government memoranda in writing concerning any claims it may have to larger sums than those set out in the said resolutions, or to additional consideration or recognition.⁸

B.C.'s
clause

RESOLVED--2. That in case of the Government of Canada concurring in the views of the conference, as expressed in the above resolution, a measure should be submitted to the Parliament of Canada at the next session providing for payment of such increased subsidies and allowances as may be determined upon, pending an amendment of the British North America Act, if such an amendment should be deemed necessary.⁹

An amendment was also passed to Subsection C of Resolution I of the 1902 Conference, setting out that the population of B. C., Manitoba, Saskatchewan and Alberta should be considered to be that at which payments were being currently made until the population should become great enough to use actual population figures.

In both these resolutions there was complete unanimity among the members. The Hon. Mr. Gouin and the Hon. Mr. Whitney, leaders of the two most powerful provinces were appointed to present the resolutions to the Dominion Government.

Mr. Whitney then presented a brief on behalf of Ontario. He argued for "some definite and permanent arrangement" respecting subsidies. Nevertheless, he held that the subsidy figures as laid down in the British North America Act should be capable of revision. He suggested that the drawers of the Act intended to legislate only for their own time.

Mr. Whitney claimed that the Dominion Government was not concerned with the responsibilities of an independent nation. The government's duties were purely domestic. He held that the provincial expenditures and Dominion revenues were both increasing--a fact which, unless readjustment

was made--would throw a great burden on the people.

Mr. Whitney placed before the conference, the example of the Australian Act of Union. Under this Act no final arrangements as to specific amount of subsidies from the federal to the state governments were made and far more in proportion of customs and excise collections were redistributed to the states than was redistributed by the federal government to the provinces in Canada.

Mr. Whitney claimed that Ontario was bearing an especially heavy burden and that her case should receive very careful consideration. He urged, too, that no further special grants from the federal treasury to the provinces should be made.¹⁰

The lengthiest formal address of the conference was made by the Hon. Mr. McBride in a memorandum requesting special consideration for British Columbia.

While agreeing with the Conference resolutions as far as they went, Mr. McBride declined to accept them as a final solution. He held that British Columbia should have special consideration and submitted to the Conference a detailed report presented by the British Columbian government to the Dominion Government in 1905.¹¹

He held that the readjustment recommended would, if adopted, leave British Columbia in no better position. Her

10 Special grants had been made on occasion to various provinces to tide them over temporary difficulties.

11 Appendix to Minutes, p. 15 - 39.

excessive contributions to the Federal Treasury would cause her to pay more than her share of the increase in subsidies to all the provinces. Further, British Columbia had, he pointed out, special geographical difficulties with respect to population and the use of population as a guide-stick for the proposed subsidy system would be disadvantageous to the Pacific province. Mr. McBride traced the difficulties between British Columbia and the Dominion Government from the Settlement Act of 1884 to the time of the Conference. In substance his argument was, that due to economic and geographic disadvantages, British Columbia deserved more than she had thus far received from her union with the other Canadian provinces. He asked that a commission be appointed to investigate the matter fully. The Conference discussed Mr. McBride's memorandum but came to no immediate conclusion.

Mr. Gouin then presented a resolution concerning the policy carried out by the Dominion Government of deducting any claims held by it against the provinces from the subsidies paid to those provinces. Sir Wilfred Laurier did not desire to discuss this subject so at his request the resolution was withdrawn for later consideration.

Sir Wilfred Laurier, the Prime Minister and his Ministers then joined the conference. Sir Wilfred addressed the delegates with respect to Mr. McBride's memorandum. He criticized the idea of setting up an arbitration commission but, with great political grace, left the matter in the hands of the Conference. He suggested, however, that Mr. McBride should

approach the Conference immediately with a proposal for a further grant.

In response to this statement by the First Minister, the Conference passed the following resolution:

That in the opinion of the Conference it is inadvisable that the claim, in the way of subsidies, of any province be referred to arbitration.¹²

British Columbia voiced the only dissenting vote.

¹³
Regardless of Mr. McBride's declaration that the Conference should not consider British Columbia's claim; that it was a matter between British Columbia and the Dominion; the Conference then passed a resolution recommending that in view of British Columbia's special claims, she should receive an extra allowance of \$100,000 per year for a period of ten years.

Mr. McBride positively refused to agree with this resolution and did not vote on it. He expressed to the Chairman his intention of taking no further part in the

12 Sessional Papers, Vol. XLI, No. 12, 1906 - 07, No. 29A

13 Mr. McBride's declaration was as follows:

"I protest that the question of British Columbia's claim upon the Dominion Government for a reference should not be considered by this Conference, but that it is a question between the government of British Columbia and the Dominion."

Conference.

The final session of the Conference was dominated by the powerful figure of Sir Wilfred Laurier, who called for harmony in working out the problems.

- 14 One of Mr. McBride's main platform planks in the Conservative Party's campaign to election victory had been "Better Times." His championing of B. C.'s cause at a Conference called by the Liberal Federal Government, was intense and wholehearted. The following extract from a chronicle of the times illustrated the colourful popularity of this zealous provincial statesman...

"Mr. McBride certainly made B. C. the first and last object of his advocacy. He was offered something, he wanted more. He was made much of personally but refused to be persuaded into accepting anything less than what he deemed justice. A final compromise was suggested; he replied by withdrawing from the Conference and promising to carry the exceptional and difficult position of his province to the foot of the Throne. The attitude taken seems to have touched the public imagination in B.C. and a special welcome for the Premier was arranged for his return to Victoria on October 26th." Canadian Annual Review of Public Affairs, 1906. p. 483. Annual Review Publishing Co., Toronto, 1907.

*** { "Mr. McBride was strongly supported by a Majority of the people in his home province. Feeling became so intense that at one time the Kamloops "Standard" adopted the slogan of "Succeed or Secede." Canadian Annual Review, p. 522.

"Certain sections of the press assused Mr. McBride of being a "man with a grievance" who deliberately made impossible claims." Globe, Toronto, October 15, 1906.

- 15 In a speech delivered at a dinner to the delegates given by the Canadian Club of Ottawa, Sir Wilfred Laurier stated:

"We cannot claim that our constitution is logical or symmetrical but it has been made practical and it has given us 40 years of harmony amongst the different elements composing the Canadian nation, and that is enough to testify to the value of the constitution, because without harmony no progress was possible.

Globe, Toronto, Ontario. Oct. 10, 1906.

He announced that his Government had decided to agree to the resolutions affirming the views of the Interprovincial Conference of 1902,¹⁶ with the exception of those recommendations suggesting increased subsidies for criminal justice administration.¹⁷ Nor would he agree to introduce a bill to Parliament providing for larger subsidies until an amendment to the British North America Act could be made. The Prime Minister did state that the Hon. Mr. Fielding and he would travel to London the following Spring to obtain the necessary amendment..

- 16 The net financial result of the Conference of 1906 was estimated as follows, dependent upon approval of the Dominion Government (Canadian Annual Review, 1906. p. 518)

<u>Province</u>	<u>Existing Subsidy</u>	<u>Proposed Subsidy</u>	<u>Increased Subsidy</u>
Ontario	1,339,287	2,128,771	789,484
Quebec	1,206,413	1,806,278	599,865
Nova Scotia	432,805	610,464	177,659
New Brunswick	491,360	621,360	130,000
Manitoba	646,862	776,862	130,000
B. C.	307,076	522,076	215,000
P. E. Island	211,931	281,931	70,000
Alberta	1,124,125	1,254,125	130,000
Saskatchewan	1,124,125	1,254,125	130,000

However in March 1907, while addressing the House, Sir Wilfred Laurier estimated the increased cost to the Government to be \$3,346,000

- 17 There had been a demand for a grant of twenty cents per capita for provincial justice administration.

Sir Wilfred held that the resolutions thus remaining were in effect those of the Quebec Conference of 1887, of which he approved. The controlling hand of the Government is well seen in the statement in the minutes:

The First Minister added that his Government desired to impress upon the Conference the fact that these resolutions of 1887 seemed to have been drawn and considered with great care and they are of the opinion that the terms agreed to at that time ought not to be departed from.¹⁸

These resolutions of 1887 had attempted to set out a basis for a final and unalterable settlement for subsidies.¹⁹

18 In Preamble to 1887 Resolution

19 New Subsidies recommended were:

A.	(a)	Where population is under 150,000	\$100,000
	(b)	Where population does not exceed 200,000	\$150,000
	(c)	Where population is 200,000 but does not exceed 400,000	\$180,000
	(d)	Where population is 400,000 but does not exceed 800,000	\$190,000
	(e)	Where population is 800,000 but does not exceed 1,500,000	\$220,000
	(f)	Where population exceeds 1,500,000	\$240,000

B. New Grants were per head:

- a. 80¢ per head on population as at last census up to 2,500,000
- b. 60¢ per head for all population over 2,500,000

On March 18, 1907, Sir Wilfred Laurier introduced this proposal to the House. Coupled with it was a grant for 10 years to British Columbia of an additional \$100,000 per year. The revision of 1907 was the last general revision to date in the subsidies.

Sir Wilfred regretted the lack of unanimity caused by British Columbia's special claim but promised to introduce the changes in Parliament.

The Prime Minister brought up the matter of discrimination against Dominion charters by Provincial governments and suggested that such discrimination should cease.

In the closing moments of the conference, discussion took place on the matter of fisheries. Sir Wilfred spent some time discussing the difficulties arising out of the divided jurisdiction in this matter. It was generally felt that the Dominion Government could deal most efficiently with this matter. New Brunswick and Quebec, however, were very firm in standing on their rights as laid down by the Privy Council to obtain revenues for fishing licenses. Both provinces felt that Nova Scotia had benefitted disproportionately in the Halifax Award of the Privy Council.

The Prime Minister then referred to a discussion of provincial taxes on Commercial Travellers. He was informed by the Chairman that the matter had been discussed and that the various premiers had agreed to recommend each to his respective legislature that the tax be abolished.

The Conference closed with a resolution indicating the delegates to be in favour of annual interprovincial conferences in the future.

In statements to the press, all the Premiers, except Mr. McBride, expressed satisfaction at the results of the Conference. Newspaper opinion on the whole, however, was

not as generous. The Globe, Toronto, an opponent of any tendency toward centralization, criticized the increasing of subsidies, claiming, on October 16th that in doing so...

...the people of Canada put themselves under heavier tribute to a bad system.

In another part of the criticism, the Globe, stated:

So long as Provincial politicians are led to feel that when they get into deep water the Dominion will come to their aid, they will get into deep water with deplorable regularity.

The Hamilton Times, the Montreal Witness, the Toronto News and the Ottawa Journal all felt that the provinces were seeking to get as much as they could at the expense of the Federal treasury.

The Conference was marked by strong feeling between the Liberal Premiers who were in the majority and the Conservative Premiers, who had the advantage of having Mr. McBride, the most striking figure at the Conference, as their leader.

Later in the year a very brief conference took place between the Federal Government and the representatives from Alberta, Manitoba and Saskatchewan on matters affecting the Dominion and these provinces. However results from this meeting were negligible.

CHAPTER III

* THE CONFERENCE OF 1915¹

In the nine years following the first Dominion-provincial conference, the Dominion Government made no attempt to call a general conference. A minor conference on company law was called in 1910 under the supervision of Mr. Thomas Mulvey, then Under Secretary of State. One session was held but the views expressed by the delegates were so contrary that the conference broke up, immediately.²

Two inter-provincial conferences were held in this period--one in 1910 to discuss fixing Maritime representation at a set figure,--and another in 1913 to discuss Maritime representation and subsidies. Neither of these conferences produced any important results.

A war issue was necessary to bring about another Dominion-provincial conference. By 1915 the problem of dealing with returned and discharged soldiers began to assume large proportions. Action on this matter had at first been taken only by the Dominion Government under their Military Hospitals Commission. As the numbers of such men grew, it was necessary to attack the problem with

1 The Report of this Conference is to be found in an unpublished Sessional Paper #86, Feb. 7 - 10, 1916, Library of Parliament, Ottawa.

2 No records were printed on this conference but Mr. Mulvey's notes and memoranda are on file in the Department of the Secretary of State at Ottawa.

with the united effort of all Canadian governments.

Accordingly Sir Robert Borden dispatched the following
³
 telegram to the provincial premiers:

Ottawa, Ontario
 October 11, 1915

My Government has appointed a Military Hospitals Commission. Included in their duties are provision of employment for returning soldiers and training of disabled soldiers, which can only be dealt with successfully through cooperation of the provinces. I am requesting all the Provincial Premiers and their Ministers of Education to meet Hospitals Commission and myself at Ottawa on the 18th instant noon to consider and formulate scheme for dealing with this important question. The presence and cooperation of you and Minister of Education are especially desired. In the event of your inability to attend please delegate one of your Ministers.

R. L. Borden

On October 18th and 19th, 1915, the Military Hospitals Commission met at Ottawa together with
⁴
 representatives of the Provincial Governments.

The Hon. Richard McBride, Premier of British Columbia, unable to be present, telegraphed his desire
 * to concur in any decisions made by the Conference. *why? see amby.*

All the members expressed their desire to aid to the full the work of the Hospitals Commission. It was agreed to appoint Provincial Committees or Commissions to call Provincial Conferences and from these to organize civic committees.

3. Sessional Paper, #86, Feb. 7 - 10, 1916, p 2.

4. Appendix I

A memorandum was drawn up offering suggestions for the solution of the problem. Among these suggestions were plans to organize Central Provincial Committees which should assume certain responsibilities in finding employment for returned soldiers. Certain administrative expenses in this connection were to be shouldered by the Provincial Governments.

It was agreed that the memorandum was to be presented to each Provincial Government. It was also decided that if any Provincial Government should make any changes in the suggested plan, that government would notify each of the other provincial governments.

The brief conference closed with reiteration of the support of the Provincial governments of the work of the Military Hospitals Commission.

It is worthy of note that in respect to this problem which constituted, in a sense, a minor national emergency, the various governments were more than willing * to submerge sectional differences and to act in harmony with each other.

CHAPTER IV

THE DOMINION-PROVINCIAL CONFERENCES OF 1918

In 1918, with war problems again pressing, two Dominion-provincial conferences were held.

In February of 1918, the Hon. J. A. Calder, the Minister of Immigration and Colonization, acting at that time, temporarily, as Minister of the Interior, called a conference of the Provincial Premiers and Ministers at Ottawa. This minor conference met on February 14th and 15th to discuss the then current food emergency. The subjects discussed during this brief, informal conference were:

1. Cooperation in a campaign for greater food production;
2. The problems of Agricultural labour, and of fuel;
3. The rehabilitation of returned soldiers;
4. The formation of 'an after the war'¹ immigration policy.

In general the conference arrived at a satisfactory conclusion with regard to cooperation between the Dominion and Provincial governments on these matters. Informal agreements were made with a view toward increasing food production.

¹ Canadian Annual Review, 1918, p. 318

In October of the same year, the Rt. Hon. Mr. Borden called a formal Dominion-provincial Conference by dispatching the following telegram to each of the Provincial Premiers:

Ottawa

26th October, 1918

It is the desire of the Dominion Government to have a conference with the Provincial Premiers in Ottawa, commencing on Tuesday, November 19th, for the purpose of considering the problem of soldiers' settlement, the general problem of land settlement and the request of the Prairie Provinces for the transfer to them of their natural resources. Other subjects for discussion may be proposed. We earnestly request your attendance. Conference should not occupy more than three or four days.

R. L. Borden

In the absence of the Prime Minister, the Rt. Hon. Mr. Borden, Sir Thomas White, Acting Prime Minister, welcomed the delegates.² At the first session the Hon. F. B. Carvell, Minister of Public Works, was appointed Chairman of the Conference.

The first matter discussed at the Conference was the application made by Manitoba, Saskatchewan and Alberta that they be given control of their natural resources. The application was made in identical terms by each of the three Premiers of the Provinces concerned. In part their communication read:

2 See Appendix I

...it has been agreed between us to make.....the proposal that the financial terms already arranged between the provinces and the Dominion as compensation for lands should stand as compensation for lands already alienated for the general benefit of Canada, and that all lands remaining within the boundaries of the respective provinces, with all natural resources included, be transferred to the said provinces, the provinces accepting respectively the responsibility of administering the same.³

The provincial premiers held a special conference to discuss the matter. As a result of this special conference, a committee was set up to present the viewpoint of the conference to the representatives of the Dominion.

At the next sitting of the Conference, the Minister of Immigration and Colonization gave an outline of Dominion policy with respect to land settlements and offered suggestions for better cooperation between the Federal and Provincial governments.

The Dominion Government seemed to be in favour of granting the request of the Prairie Provinces that they be given control of their natural resources. Accordingly the six other provinces presented to the Conference joint resolution that should Alberta, Manitoba and Saskatchewan receive the lands, proportionate allowances, computed on the basis for granting subsidies set down by the original
⁴acts, should be granted to the remaining provinces.

³ Proceedings of the Conference Between the Government of Canada & the Provincial Governments at Ottawa, King's Printer

⁴ 4-5 Ed. VII, cc3 and 42

British Columbia again came to the fore when the Hon. John Oliver presented a formal request for consideration by the Conference of British Columbia's claim to have returned the lands which had been conveyed to the Dominion Government for railway purposes. There was some dissension between the Hon. Mr. Meighen, the Minister of the Interior, and Mr. Oliver over the inclusion of this matter in the discussions. One of Mr. Meighen's statements would seem to indicate a patronizing attitude on the part of the Dominion representatives. He said:

Before such a step (discussion of British Columbia's claim) could be taken, the subject should be definitely put upon the agenda by the consent of all, inclusive of the Federal Government who had called the Conference. 5

The Conference was punctuated at various intervals by statements of the Dominion Ministers. The Minister of the Interior, the Hon. Mr. Meighen, made a statement in regard to soldiers settlements; the Minister of Militia and Defence, General Mewburn, presented a memorandum on demobilization. The Acting Prime Minister, Sir Thomas White, made a brief address on general problems of industry and finance in Canada. The Minister of Labour, the Hon. Mr. Robertson, advocated cooperation between the governments to establish employment exchanges and to develop housing and technical education projects. The Minister of Soldiers Civil Re-establishment, Sir James Lougheed, outlined policies for

5 Report of the Proceedings of the Conference between the Government of Canada and the Provincial Governments at Ottawa, p. 153

the employment of demobilized soldiers. While speaking on Dominion-provincial taxation, the Minister of Finance, Sir Thomas White, suggested the calling, at a later date, of a special conference to deal with this important matter. These addresses were, however, merely for purposes of information and no resolutions developed from them.

The Prairie delegates presented another formal letter to the Conference. In it they reiterated their application for the return of the disputed lands. They refused, however, to admit that the other provinces of Canada should be compensated financially if the prairie provinces got back their lands.

The Conference closed on the usual note of mutual felicitation and goodwill without making any formal decision in regard to the demands of the Prairie Provinces.

Looking at the Conference as a whole, nothing of a definite nature was accomplished. A great many discussions took place and in many cases, there was much difference of thought. The Conference, in this regard, seemed to offer merely an opportunity to air opinions. Evidence of how little the Federal Government thought of the Conference may be seen in the fact that Hansard for 1918 contains only one minor reference to the meeting and no reference at all was made concerning it in the House during the session in 1919.

Throughout the Conference, the firm, controlling hand of the Dominion Government was very evident. It was

the Federal representatives who dominated all the proceedings and initiated most of the discussions. Very few matters were introduced by the provincial representatives. Definite results were few. In any case, it is doubtful if the Dominion Cabinet Ministers would have agreed to any proposed action, which might have become binding to the Dominion Government, particularly in view of the absence of the Prime Minister.

Then, too, the jealousy between the provinces was most apparent. No province, or group of provinces, was willing to better the conditions in another province or provinces, unless it, too, shared in the advantage. There was, in a sense, a spirit of giving--only if in return, some taking was assured.

Such conditions could not produce profitable results to the people of Canada. Nevertheless, it must be admitted that the year 1918 marked an increase in cooperation between the provinces and the Dominion, for in this year two conferences were held. Several other regional conferences were held. This displayed a tendency, at least, toward cooperation and an indication that the various governments were becoming a little more disposed to act together.

6 Meetings in 1918 included:

- February 19 - Conference of the Eastern Departments of Agriculture
- May 2 - Conference of Western Ministers of Education
- July - - Convention of the Western Irrigational Association attended by Ministers of Saskatchewan, Alberta and British Columbia

CHAPTER V

THE CONFERENCE OF 1927

Despite the encouraging impression left by the Conference of 1918, it was nine years later before another Dominion-provincial Conference was called. The Dominion Government and perhaps the Provinces, too, did not appear to think highly enough of the conferences to call them regularly. An inter-provincial conference convened in 1926 and was attended by eight of the nine provinces. The Dominion Government made no attempt to participate in this conference, at which the main discussions were taxation, insurance and relief.

Finally in 1927, Mr. McKenzie King, who would appear to favour the conference principle, called a formal Dominion-provincial conference. It was held at Ottawa from November 3rd to November 10th.¹

The formal agenda submitted by Mr. King to the delegates was as follows:

Agenda

CONSTITUTIONAL

1. Senate Reform
2. Procedure in Amending the British North America Act.

1 See Appendix I for list of delegates

3. Participation by Provinces in International Labour Conferences.
4. Regulation of Aircraft and Flying Operations.
5. Industrial Disputes Investigation Act.
6. Incorporation and Operation of Companies, including Trust, Loan and Insurance companies.
7. Regulation of the Sale of Shares and Securities of Dominion Companies.
8. Representation of Nova Scotia in the House of Commons.

FINANCIAL

1. Federal Subsidies, including recommendations of Duncan Report thereon.
2. Other proposed Federal Aids:
 - (a) for highway construction,
 - (b) for technical education,
 - (c) for agricultural education,
 - (d) for unemployment relief,
 - (e) for steel industry.
3. Partition of Federal Lands.
4. The Canadian Farm Loan Act, 1927.
5. Taxation:
 - (a) Delimitation of Fields of Taxation,
 - (b) Taxation of the Canadian National Railways,
 - (c) Comparative taxation,

- (d) Income tax. Method of collection,
- (aa) Priority in matter of collecting debts..

6. Reduction of Customs and Excise Duties,
7. Consideration of interests in which the Dominion and Provincial Governments exercise jurisdiction:
 - (a) Agriculture,
 - (b) Policing,
 - (c) Health,
 - (d) Construction, Maintenance and Upkeep of Railways,
 - (e) Establishment of National Research Laboratories and Co-operation in Research,
 - (f) Developing Markets for Canadian Products

SOCIAL AND ECONOMIC

1. Immigration. Federal and Provincial Co-ordination,
2. Fuel Problems,
3. Old Age Pensions. Social Insurance,
4. Water-Power Development.
5. Fisheries,
6. Child Nutrition and Transmission of Infection,
7. Oriental Problem,
8. Unemployment Insurance for Handicapped Veterans,

9. Distribution of Fines,
10. Liquor Importation -- Canadian Temperance Act,
11. Whipping Penalty for Narcotic Offences,
12. Canadian Nationality

* * * * *

1. Taxation of Soldier Settlement Lands,
2. Amendments to Canada Temperance Act to prohibit² private importation of liquor.

This comprehensive and detailed agenda was laid before the delegates. Problems were dealt with under three headings:

- (a) Constitutional
- (b) Financial
- (c) Social and Economic

It is important to note that no formal resolutions were adopted, the meeting being, in the words of the Prime Minister, "a Conference, not a Cabinet nor a Convention."

The first matter to be discussed by the Conference, which was presided over by the Rt. Hon. Mr. King, was the control of aircraft. The Conference was of the opinion that the question of jurisdiction should be presented to the³ Supreme Court.

2. Precis of Discussions. Dominion-Provincial Conference, November 3 - 10, 1927, King's Printer, 1928.
3. Speaking in the House of Commons in January 30, 1928, Mr. King stated that Mr. Lapointe had by that time made the reference to the Supreme Court. 1938 Hansard I 38.

The Conference discussed the problem of reform of the Senate at great length. Opposition to the existing Senate was widespread but no representative wished to abolish entirely the second Chamber. Ontario, Quebec, Nova Scotia, and New Brunswick desired to have the constitution of the Senate remain as it was. Western delegates advanced various proposals for reform including participation by the provinces in Senate appointments, limited term of office holding, and the practice of allowing any bill passed three times by the Lower House to pass regardless of Senate disapproval.⁴ There was, however, no unanimity of opinion as to how reform might be brought about in this regard.

The discussion on this matter was led by Mr. Lapointe, the Federal Minister of Justice. He laid before the Conference a summary of the proposals for reform.⁵ These were:

1. Abolition of the Senate,
2. Adoption of the elective principle,
3. A combination of both the Appointive and Elective principles,
4. A fixed and limited term of office,
5. An age limit with possible super-annuation,

⁴ On March 9, 1925, the House of Commons passed a resolution to the effect that the matter of Senate reform should be placed before a Dominion-provincial Conference.

⁵ *Precis*, p. 10.

6. A bringing of relations between the Canadian Upper and Lower Chambers into accord with the relations between the House of Commons and the House of Lords in Great Britain--with particular reference to the powers of the Upper House in vetoing or amending money or general public bills.

The delegates discussed each of these proposals but no consensus of opinion was obtained.

The Conference next considered the procedure in amending the British North America Act. Mr. Lapointe again led the discussion. The Minister submitted that as Canada had now achieved an independent status, she should have the power to amend her own constitution and that she should request the Parliament of Great Britain to pass legislation to that effect. As a safeguard, ordinary amendments should receive an endorsement from a majority of the provinces and any amendments affecting provincial rights, minority rights or rights affecting race, language or creed should receive an unanimous endorsement from the provinces.

There were wide differences of opinion on the matter. Again the old bugbear of jealousy over local rights arose. Regardless of Mr. Lapointe's eloquent and forceful defence of his proposal, the provincial delegates would not agree to it. The provinces west of Ontario held for reform but the other provinces wished to maintain the existing system.

Mr. Lapointe offered the suggestion that the questions on which unanimous approval should be obtained from the provinces could be detailed under the British North America Act, Sections, 93, 133 and 92 xx. 12, 13, 14.

The Conference set up a committee to cooperate with the Federal authorities on matters of incorporation of companies and company law. This committee later presented its report to the Conference with the following recommendations:

1. That the existing policy of the Secretary of State's Department to refuse incorporation to companies of a purely provincial nature be continued,
2. Careful study should be conducted with regard to insurance, loan and trust companies,
3. The Dominion Government should pass legislation regulating the shares and securities of Dominion companies.

Colonel Price of Ontario led an attack on the Dominion Government's exercising of supervision and regulatory powers over insurance companies after a Privy Council decision stating this field to be under provincial jurisdiction. Arguing for the Dominion Government, the Hon. Lucien Cannon stressed the Dominion's "inalienable right to incorporate companies."⁷ The Provincial governments did not give Colonel Price complete support, and the matter was left to a committee to investigate further.

In response to complaints by delegates, the Dominion Government promised to reform stock sale regulations. The period about and following 1927 saw the greatest activity

7 Precis, p. 13.

in stock transactions up to that time and hence more regulation was needed.

Agricultural problems came in for a great deal of discussion, mainly under the leadership of the Hon. Mr. Motherwell, Minister of Agriculture. The immigration question was also thoroughly examined. In this latter matter, the Minister of Immigration addressed the Conference explaining the Dominion's point of view. At this time the Dominion was seeking to encourage immigration to as great an extent as possible under a controlled scheme. Another committee was set up to inquire further into the matter.

Nova Scotia laid her claim for an additional member in the Federal House before the Conference. The general opinion was in favour of Nova Scotia's claim if she could prove that she was entitled to it under the Mathematical formulae laid down under the Confederation agreements.

Premier McLean of British Columbia again put forward his province's claim to special treatment in regard to subsidies. The ten year extra subsidy of \$100,000 had now ceased. Mr. McLean stated that the demands of his province were:

1. That the Federal Government return the railway lands given up by British Columbia.
2. That the Federal Government withdraw from the Income Tax field.

8 The press at this time was criticising the Conference by making accusations of clashes. The Conference wished to discredit this opinion...the Conference was not open to the public.

3. That the boundary lines between Federal and Provincial government with respect to taxation be clearly defined.

The recommendations of the Duncan Commission made it necessary for Mr. King to make concessions to the Maritimes. With increasing revenues and domestic prosperity fairly well assured, Mr. King was also disposed to listen⁹ very favorably to the claims of the Western Provinces.

¹⁰
The Duncan Commission Report which had been presented to the House of Commons, was discussed in detail. The Report had been generally favorable to the Maritimes. In the words of Premier Baxter of New Brunswick "the Maritimes stood as an individual stands who had had a judgment rendered in his favour." Each province was, of course, most anxious to obtain redress for any inequalities under which the Duncan Report may have suggested it suffered. The Maritime Provinces were particularly insistent upon obtaining better terms. The Western Provinces were willing to admit the need of the Maritimes but they too wished to receive their claims.

The claims of the Western Provinces for their lands and the claims of the Maritimes for better terms had

- * 9 For a sketch of the background here see "Provincial Conferences and Better Terms, Maxwell, J. A., p. 170 - 172.
- 10 The Duncan Commission was officially titled the Royal Commission on Maritime Claims. For a study of the Report see Dominion-Provincial Subsidies and Grants, Eggleston & Kraft, p. 51 - 55.

long been associated one with the other. In 1926, the Federal Government granted the subsidy increases recommended for the Maritimes in the Duncan Report for one year. Mr. King stated at that time that a decision as to future policy was to be made at a Dominion-provincial conference. Here then, at the Conference of 1927, Mr. King had the opportunity to bring together once more the claims of the Maritime and Western Provinces.

The Premier of Manitoba, the Hon. John Bracken, suggested that the Dominion Government should grant increased subsidies to the extent of 10% of the Customs and Excise Revenues. His proposals were:¹¹

1. That provincial responsibility for onerous services of a national character are increasing without seeming possibility for a corresponding increase in its source of revenue. (Provincial revenues are inelastic.)
2. That the entry of the Dominion Government into the field of direct taxation increases the difficulties of the Provinces.
3. That there is urgent need for more clearly defining the powers of the Provinces to impose¹² taxation and the taxes they can impose.

11 Canadian Annual Review, 1927-28, p. 33

12 At this time Income taxes were being levied by the Federal Government, by the Provinces of British Columbia, Manitoba, and Prince Edward Island and municipalities in New Brunswick, Nova Scotia, Saskatchewan and Quebec.

4. That Section 92 of the British North America Act should be amended in order to assign specifically to the Provinces certain taxes whether direct or indirect.
5. That the payment of increased subsidies should be provided for, or some percentage of the Dominion receipts from the Income Tax should be paid over to the Provinces--or the Provinces should be allowed to levy "supplements" to the tax imposed by the Dominion--or the Dominion Government should fully cooperate with those provinces which also levy the tax to the end that there may be a saving in the expense occasioned by the duplication of services for collection.

The Federal Government replied to the demands of the Provinces in addresses by three of its Ministers. The Hon. Mr. Dunning, then the Minister of Railways, discussed the railway situation with particular reference to suggestions that the Canadian National Railway take over certain provincial railways which had become liabilities to the provinces concerned. He criticized provincial administration of railways. He held that further liabilities should not be saddled on to the Canadian National Railway which even now could not meet its own interest costs. The whole problem would involve the taking over of twelve or more railroads and Mr. Dunning stated that the Government could not contemplate this.

However, he would be willing to meet personally with representatives of the Provinces and try to work out mutually satisfactory arrangements in individual cases.

Mr. Lapointe, the Minister of Justice addressed the Conference on the conflict between Dominion and Provincial jurisdictions. He claimed these were inevitable but he advocated a spirit of compromise. He held that Section 92 gave the Dominion the right to tax in any direction. While he deplored disagreement between the governments, the Minister made it very clear that the Dominion Government would act, regardless of differences in opinions, if it considered it to be its duty to do so.

The Hon. James Robb, Minister of Finance, addressed the Conference on the financial problems which had arisen. He was definitely critical of the attitude adopted by the Maritime delegates. He detailed to the delegates the ¹³ tremendous cost of the War, and made a plea for economy in the operation of the governments. He declined to commit the Dominion Government to any future policy with regard to finance.

The matter of liquor control legislation by the provinces and its possible implementation by Federal legislation occupied some time at the Conference. Mr. Lapointe

13 The Minister produced figures to show that out of the total Dominion Government expenditures since Confederation, 36% was caused by Great War Expenditures. *Precis*, p. 28.

expressed a willingness to have the Federal Government pass any legislation which might be needed. Other Federal ministers were less enthusiastic in their proposals for cooperation with the provinces in liquor control.

14

Every province, except Quebec went on record as favouring Federal assistance in highway construction.

It is interesting to note that at this time with employment conditions steadily rising, no province except
 15
 Manitoba advocated Federal aid for unemployment.

A progressive tendency in thought may be seen in the discussion of the newly established National Research Council, which was designed to promote technical and scientific research in Canada. The Minister of Trade and Commerce asked the provinces to give every support possible to this Council. The delegates were agreed, in this connection, that a Bureau of Standards should be set up as part of the work of the Council.

The question of old age pensions was discussed with widely varying opinions being expressed by the Provincial representatives. At its last session, the Dominion Parliament had passed an Old Age Pension Act providing for payments of \$120 a year from the Federal Treasury to persons over 70 providing the Provinces enacted similar legislation. Certain Provinces, principally the Maritimes, expressed a desire that

15 The Manitoba delegate was influenced, it would appear, primarily by the situation in Winnipeg, where at times there was some temporary unemployment among the transients. Unemployment had not as yet become a serious national problem.

the Dominion Government should follow out the plan without provincial cooperation. British Columbia, already with an Act, and Manitoba expressed agreement with the existing system as set up by the Federal Government.

There was a good deal of discussion over the matter of water-power rights. The Dominion and the Provinces conflicted as to authority. The general feeling was that the questions of jurisdiction should be submitted to the Supreme Court. It was felt that the Provinces and the Minister of Justice should confer before submitting their respective claims to the Supreme Court. The Dominion Government defended its claim to jurisdiction on the grounds that the only jurisdictions in question were on waters on which the Dominion Government had spent much money in development to create a head of water and hence the Federal Government should retain control of these waters. Mr. Lapointe declared the matter to be so important that he would have to take it up in a Cabinet Council.¹⁶

As usual at Dominion-provincial conferences, the taxation question aroused much controversy. Mr. Manson of British Columbia demanded a definition of "direct" taxation and a delimitation of taxation fields. Premier Baxter of New Brunswick stated that the Federal Government should continue in the Income Tax field until the War debt was paid. Mr. Price of Ontario suggested that the Federal Government should keep the returns from corporation income taxes but

16 By Order-in-Council of January 18, 1928, the Federal Government presented a series of questions regarding water-power jurisdictions to the Supreme Court. After further discussions with representatives from Quebec and Ontario the matter was referred to the Supreme Court under an Order-in-Council of April 14, 1928

return those from the personal income taxes to the Provinces. Premier Bracken of Manitoba advocated that part, at least, of the income tax collected by the Federal Government should be returned to the Provinces and that duplication of collection costs should be eliminated. No delegate was satisfied with the existing situation, but there was no unanimity of opinion as to what the proper solution to the difficulty was.

A plea for a national policy with respect to the fuel and steel industries was made by a Nova Scotia delegate. The Premiers of Alberta and Ontario endorsed his plea. The Dominion Ministers, however, claimed that everything possible was being done to develop Canada's fuel and steel industries on a sound economic basis.

The Conference was undoubtedly the most thorough held up to that date. True, agreement was not achieved in all matters, but many positive results were achieved. That the Dominion Government was influenced by the Conference is apparent in the Speech from the Throne on January 26, 1928:

17

As a result of the Dominion-provincial Conference, my advisers have decided, pending a complete revision of the financial arrangements as contemplated by the Duncan Report, to recommend the continuance to the Maritime provinces of the money grants made at the last session. In the light of the discussions at the Conference, my Ministers are continuing negotiations with the Prairie provinces for the return of their natural resources and are giving consideration to the restoration to the province of British Columbia of the lands of the railway belt and the Peace River Block. Consideration is also being given to the railway problems of the several provinces, as outlined at the Conference.

The agreement to submit the water rights question to the Courts was another illustration of cooperative effort.

Dr. McLean returned to British Columbia well contented with the results. In a speech at Victoria on November 8, 1927, he listed the three best features of the Conference:

1. It impressed the Federal Government with the Provinces needs and claims.
2. There was a friendly attitude displayed by the older provinces to the claims of the others.
3. There was revealed a reasonable attitude on the part of the Western Provinces.

Indeed Dr. McLean referred to the Conference as "one of the most momentous gatherings in the history of our country."

There was still, however, strong feeling between the Provinces and the Dominion.¹⁸ Each province was still jealous of the others and each was fearful of the extension of Federal power. This was well, and perhaps typically, illustrated in the 1927 Ontario Speech from the Throne in the section of that speech referring to the Conference... "the compact of Confederation should be strictly observed in all respects and that the future of Canada can be best assured by maintaining the status of the Provinces as established by the British North America Act." This strong provincial sentiment evidenced by this statement

¹⁸ Queen's Quarterly Vol XXXV, November 1927 editorially stated "That we have not yet solved all the problems of federalism was amply demonstrated by the Conference."

gives more than an indication as to why the Dominion-provincial conferences were not more productive..

CHAPTER VI

THE CONFERENCES OF 1931 and 1932

*A. The Conference of 1931 *minor*

On February 23rd, 1931, the Rt. Hon. Mr. Bennett, Prime Minister issued an invitation to the Provincial Governments to meet with Federal representatives in a Dominion-provincial Conference to consider the Report of the Conference of Westminster in 1929.¹ In this Report the recommendation was made that the Colonial Laws Validity Act should be repealed. Many of the Canadian provinces feared that this procedure would probably result in loss of rights to the provinces. The Hon. G. H. Ferguson, Premier of Ontario, had submitted a formal memorandum to the Dominion Government on September 10, 1930,² contending that if the Colonial Laws Validity Act was repealed without inserting a clause protecting the rights of the provinces, the Dominion Parliament would be taking upon itself the unrestricted power to amend the Constitution.³

1 The Conference on the Operation of Dominion Legislation & Merchant Shipping Legislation, Westminster, 1929 --an outgrowth of the Imperial Conference of 1926.

2 See Toronto Globe, September 20, 1930

3 For a full discussion see The Compact Theory of Confederation by Norman McLeod Rogers, Proceedings of the Canadian Political Science Association, Kingston, 1931, p. 205-ff.

The meeting took place in Ottawa on April 7th and 8th, 1931. The delegates agreed, without a dissenting vote to recommend that the following section⁴ should be inserted in the Statute of Westminster:⁵

1. Nothing in this Act shall be deemed to apply to the repeal, amendment, or alteration of the British North America Acts of 1867 to 1930, or any order, rule or regulation made thereunder.
2. The powers conferred by this Act upon the Parliament of Canada or upon the Legislatures of the Provinces shall be restricted to the enactment of laws in relation to matters within the competence of the Parliament of Canada or of any of the Legislatures of the Provinces respectively.
3. The provision of (the) section (relating to the Colonial Laws Validity Act) of this Act shall extend to the laws made by any of the Provinces of Canada and to the powers of the Legislatures of such Provinces.

Once more the Provinces were attempting to safeguard the rights given them under Confederation.

Mr. Bennett promised the delegates that at a near future date he would summon a conference on constitutional issues with the purpose of considering any further amendments to the British North America Act.

- 4 Actually the final draft was not approved for some two weeks until the delegates had conferred with the other members of their respective governments. This move was suggested by Premier Taschereau of Quebec.
- 5 These clauses later became in substance Section 7 of the Statute of Westminster, 1931, 22 George V, Ch. 4. In the Commons, Mr. Bennett later stated in reply to a question as to Section 7: That section was not prepared in England. It was left for us to prepare and a meeting of the representatives of the provinces and the Dominion was called for the purpose of drawing up such a clause...1931. Hansard I. 642. Vide: Canadian Public Opinion & The Statute of Westminster by A.B.M. Bell. Thesis, University of Queen's, September 1935. Library of Parliament, Ottawa.

An informal conference was convened by the Minister of Agricultural, the Hon. Robert Weir, at Ottawa on November 17 and at Toronto on November 18th and 19th, 1931. It was attended by the Provincial Ministers of Agriculture and various experts. The matter for discussion was the agricultural problem, which, because of the world-wide depression of the time, was very acute.

On November 20th another informal conference was held under Mr. Weir to discuss national club work for boys and girls.⁶

* B. The Conference of 1932

On April 9th, 1932, while the House was in session, representatives of the Provinces met in Ottawa with Federal representatives to discuss matters of unemployment relief.⁷ The so-called "Great Depression" was reaching its peak at this time and unemployment conditions were very grave throughout Canada.⁸

6 From this conference there developed the National Council of Boys' and Girls' Club Work.

7 Minor conferences on the matter were held between Dominion and Provincial representatives in centres other than Ottawa.

8 Rep. of Royal Comm. on Dom-provincial Relations, 1940. Vol. I, p. 146 - 150, 162 - 172. Also Public Assistance & Social Insurance, A. E. Gruver, 1940, Royal Commission Studies.

The Conference considered in particular the plight of the municipalities which were in general finding themselves hard pressed to meet their share of the relief costs.

The Conference decided to adopt to a greater degree systems of direct relief rather than the works-relief programs which had been in effect. This system of direct relief was to go into effect as soon as the existing Dominion-provincial Municipal agreements were completed. Where Provinces could not meet their obligations under the new agreements, the Dominion Government agreed to loan the moneys. Associated with this scheme was the announcement of a new Dominion-provincial Municipal land settlement plan.

All in all the results of the Conference showed that Canada, like most of her sister nations, was seeking to meet, in some way, the increased burdens thrown on her governmental systems by the world-wide depression. The problem of relief had become one of the most important problems in Canada and, as it affected all governments, it was only natural that a conference should be held to discuss it.

It is worthy of note that these conferences, held as they were in times of emergency, were short and to the point. They were not characterized by the petty political bickerings that had ruined some of the past, and were to ruin some of the later conferences. The unanimity of the delegates at the conferences held in these years may well be likened to the condition seen in a similar emergency faced by the delegates at the Conference of 1915.

CHAPTER VIICONFERENCE OF 1933

The Conference of ¹1933 was called by the Rt. Hon. R. B. Bennett and was held at Ottawa from January 17th to 19th. The Premiers of Nova Scotia and British Columbia were unable to attend. This conference, too, was short and directed to specific problems. *why? ordinary.*

The most important items on the agenda were unemployment and relief conditions. The Conference agreed that the existing arrangements, by which the Provincial governments distributed direct relief and the Federal Government gave the Provincial governments as much assistance as possible, should be continued.

However, the Conference recommended that the Federal Government should consider the following: ²

- (1) The percentage responsibility as between the Dominion and the Provinces,

1 There are no complete reports of this conference available. Mr. Bennett explained this situation to the House on January 26, 1934..."There is no report of that conference (1933) except such as is contained in the resolutions that were adopted and which will be laid on the table. It was understood at the last three such conferences that no minutes were to be kept and that the discussions were not to be the subject matter of comment afterwards in order that those who attended might express themselves with that freedom which they might feel was denied them if there was to be a report of what was said. 1934 Hansard, I, 6.

2 Can. Annual Review of Pub. Affairs, 1933, Toronto, Can. Review Co. Ltd., 1934.

- (2) Expenditure for medical services as part of direct relief,
- (3) Limitation of per capita per diem expenditure, avoiding thereby the difficult question of what items could or could not be included under the definition of direct relief.
- (4) Cost of additional investigation,
- (5) local administration of relief by committees or commissions,
- (6) public works,
- (7) single homeless unemployed,
- (8) unemployed youths.

Once again the division of taxing powers between the Dominion and the Provinces was discussed. It was generally agreed that cooperation could lead to considerable administrative economies. However, as had happened before, the matter was left over to some future conference and no definite decision was reached.

An important resolution was that requesting the Prime Minister to call together the necessary Dominion and Provincial officials and draft a Companies Bill which would make company law more uniform. There had been a great deal of discussion on the lack of uniformity between provincial regulations on companies on the grounds that it was a serious handicap to corporations in Canada.

Minor resolutions included one that the Dominion and Provincial governments should seek to avoid duplications

of services, that a questionnaire should be distributed with regard to regulation of truck and motor bus services, and that attempts should be made to unify statistical systems of the governments.

There were wide differences on questions of unemployment insurance and insurance regulations. The Gazette, of Montreal reported in its issue of January 20, 1933,

Two significant failures to agree were on the problems of unemployment insurance and on the insurance legislation passed by the Federal Parliament at the last regular session. On both of these questions it is understood that some of the Provinces, notably Ontario and Quebec, stood firmly on the ground of Provincial rights and resisted any move towards a surrender of their jurisdiction on insurance, even though a large percentage of the insurance business now conducted in Canada is by Companies with Federal Charters.

The Province of Saskatchewan at the Ottawa Conference endorsed the principle of unemployment insurance under a Federal scheme and was prepared to have the British North America Act amended, if necessary, in order that a Federal Unemployment Insurance Scheme could be introduced...It is obvious that amendments will have to be made and the Province of Saskatchewan is not prepared to stand in the way of national development by any unreasonable assertion of Provincial rights.

The Alberta delegation was also evidently in favour of a national scheme of unemployment insurance. The Speech from the Throne, opening the 1933 session of the Alberta Legislature indicated that the government's representatives had offered cooperation with the Dominion Government in any "reasonable" scheme of national insurance.

The provincial delegates were all anxious to see a definite plan for unemployment insurance before coming to any final conclusion. Mr. Bennett was forced to reply

that he had not then drawn one up.³ All the delegates were anxious for some system of relief for the great problem of unemployment. However, constitutional difficulties and provincial jealousies were evidently too strong to allow the Conference to pass any definite resolutions. This fact was clearly indicated when the Hon. W. A. Gordon, Minister of Labor, stated in the House of Commons, on March 22, 1933:

At the recent Dominion-provincial Conference the question of unemployment insurance certainly was discussed; it was discussed primarily to see whether the apparently insuperable barrier to a contributory system could be removed, namely the question of constitutional difficulties. Because of the fact that the subject matter perhaps would become a matter of great controversy within each province, it was agreed among the provinces that the attitude of each individual province would not be disclosed.

Each provincial representative recognized that that barrier must first be overcome if contributory social insurance was to become a fact. That being the case, I can only go so far as to say that this subject was seriously discussed from many angles and that the whole matter is still under consideration by the Provinces and by this Government.

In December of 1933 a minor informal conference convened to discuss the matter of highways and common carriers, a new and developing feature of the Canadian transportation organization.

3 Montreal Gazette, Jan. 27, 1933

CHAPTER VIII
THE CONFERENCES OF 1934

On January 17th to 19th, 1934, Mr. Bennett held still another Dominion-provincial conference to discuss the matter of unemployment relief. The Federal Government was most desirous to cut down its expenditures for relief. At the opening meeting, Mr. Bennett emphasized the need for rigid economies.

The only formal resolution adopted by the Conference was with respect to relief and read as follows:

1. That until such time as the large numbers of unemployed throughout Canada have been substantially absorbed by improved industrial employment or by public works, Federal assistance to the Provinces should be continued on the basis of the Provinces dealing with present economic conditions by the distribution of direct relief as provided in the existing agreements between the Dominion and the Provinces.
2. That the Government of Canada should cooperate with such Provinces as will organize Commissions to administer relief funds, under such conditions as may be agreed upon.
3. That the time has arrived when a program of municipal and public works should be undertaken to absorb as large a proportion of the unemployed as possible, and that any such works should be commenced early in the spring in order to be effective in limiting the demand for direct relief in the following winter.
4. That the various Provinces represented at the Conference have no objection to the Federal Government giving special consideration to Provinces where conditions warrant.

5. That the existing agreements providing for land settlement be altered to permit of a further expenditure of not more than One Hundred (\$100) Dollars per family to provide for additional subsistence during the third year of settlement.

In respect to Recommendation No. 1 above, the Dominion Government and the Provincial representatives are united in the hope that a total discontinuance of direct relief can take place at an early date.

Other matters discussed were the question of agricultural short-term credits and the authorization of¹ lotteries for charitable purposes.

On January 18th, the Provincial Law Officers met together to discuss a proposed Companies Act presented by the Secretary of State. Each province was desirous of retaining the type of incorporation device, whether Letters Patent or Memorandum of Association, currently in use within each respective province. Nevertheless, it was felt that the basic provisions of a general bill, suitable to all, might be agreed upon. However, upon consideration of the Secretary of State's draft, it was recommended that each province should send recommendations for changes to that official by March 1st, 1934 and that he should convene a general meeting of law officers to discuss these recommendations.

The Hon. Mr. Cahan, Secretary of State, speaking² in the House on March 5th, 1934 stated that he had received no recommendations from the Provinces. He did refer to an

1 The lottery question was brought up by Quebec and the Dominion Government agreed that it might be discussed in Parliament.

2 Hansard, 1934, II, p. 1161

3

article appearing in the press which stated that the Attorney-Generals of Ontario and Quebec had conferred and had decided that they could not accept Mr. Cahan's draft. Here again, a field, full of possibilities for cooperation was disregarded.

In August 1934, Mr. Bennett called a Conference to deal with unemployment and farm relief problems, with particular emphasis being placed on the curtailing of Federal expenditures.

After several general discussions, Mr. Bennett, together with his Ministers of Finance and Labour met the Provincial delegations individually and succeeded in arriving at agreements for grants-in-aid to the Provinces which reduced Federal Expenditure about 20%.⁴

Of this Conference, as well as the other conferences called by Mr. Bennett, there is but scant record. Mr. Bennett did not, it would appear, favour wide and open discussion. Rather he wanted to direct the work of the meeting to his own desires. Such meetings could hardly carry out the full work of a conference.

3 Montreal Gazette, March 5, 1934

4 Desire of the Federal Government to cut this expenditure as much as possible was expressed by Mr. Rhodes in his 1934 Budget address:

In granting these loans the Dominion Government's policy has been in the two previous years, to limit this form of assistance to the minimum. Each application was considered having regard to the special situation prevailing, the particular purpose of the loan and the general budgetary position of the borrower on the ordinary services of government.

CHAPTER IX

THE CONFERENCE OF 1935

During the election of 1935 Mr. Mackenzie King had advocated in his campaign platform that at the earliest possible moment a Dominion-provincial conference should be held to discuss the questions of unemployment, agricultural relief, and financial readjustment between the provinces¹ and the Dominion. Contrary to general public expectation, Mr. King called such a conference six weeks after his new government took office. The conference was held in the City of Ottawa from December 9th to 13th, 1935.²

The Conference itself consisted of two plenary sessions, an opening and a closing session. In the intervening period between the sessions, the Conference membership was divided into sub-conferences or sub-committees. Each of these discussed a portion of the agenda. The sub-conferences were attended by the Ministers concerned and the technical experts. At the closing plenary session the reports of the sub-conferences were presented.

The agenda submitted to the conference by Mr. King was as follows:

- 1 At Barrie, Ontario, in October 1935, Mr. King announced he would call a conference after the election. He said it would be a "conference to end confusion and needless conflict." In the same speech he criticized the immediately preceeding conferences by stating..."Mr. Bennett has called a few provincial conferences but they lasted only a few days and the proceedings consisted only in a lecture from Mr. Bennett." Hansard II. 1937. p.1559

- 2 See Appendix I

Mining Development and Taxation:

Chairman: Hon. T. A. Crerar, Minister of Mines.

1. Uniform tax in each province;
2. Dominion mining tax;
3. Depletion allowances in Dominion and provinces;
4. Possibility of fixed rate of taxation for five years;
5. Collection of mining taxes;
6. Reduction of duties upon implements and machinery used in mineral production;
7. Legislation respecting promotions.

Unemployment and Relief:

Chairman: Hon. Norman McL. Rogers, Minister of Labour.
The Minister of Finance.

1. General unemployment situation;
2. Question of relief camps;
3. Question of provincial and municipal responsibility
4. Division of responsibility for social services;
5. Future policy.

Constitutional Questions:

Chairman: Hon. Ernest Lapointe, Minister of Justice.

1. Revision of the British North America Act;
2. Agreement on future action with respect to social legislation.

Agriculture and Marketing:

Chairman: Hon. J. G. Gardiner, Minister of Agriculture.

1. Duplication of administration affecting agriculture;
2. General agricultural problem;
3. Possibility of developing marketing operations in the provinces.

Financial Questions:

Chairman: Hon. C. A. Dunning, Minister of Finance

1. Refunding;
2. National Finance Council;
3. Duplication in taxation;
4. Interest rates;
5. Interprovincial and federal cooperation.

Tourist Traffic

Chairman: Hon. C. D. Howe, Minister of Railways and Canals.

1. National parks;
2. National highways and regulation of traffic;
3. Cooperation for tourist traffic development.

Mr. King opened the Conference officially by welcoming the delegates and stressing the importance of the gathering.
 In this regard he said:³

Never before have so many and so intricate problems presented themselves at one and the same time. Unemployment, taxation, social services, constitutional questions, and other of our problems, are all formidable in themselves. Involving as each of them does, questions of jurisdiction between the Dominion and the provinces, they are all the more baffling and difficult of solution; but upon their solution depends, in large measure, the recovery and happiness of the Canadian people.

Mr. King set forth the basic problem as being that of the proper relationship between the Dominion and the provinces.⁴
 This problem he stated in two propositions:

First, to mark the boundary of the field where, having regard to the change in conditions which has come since the British North America Act was enacted, provincial responsibility should begin and federal responsibility should cease, and, that having been done, to leave the field to whichever government may be responsible. Second, where, for various reasons, clear demarcation is not possible, to reach with respect to each problem, a formula for cooperation between the Dominion and the provinces.

The Prime Minister emphasized that Dominion-provincial conferences must continue if Canadian government was to develop to the highest degree.

3 Dominion-provincial Conference, 1935. Record of Proceedings. p. 8.

4 *ibid.* p. 9.

Following Mr. King's address of welcome, each of the provincial premiers addressed the conference.

Premier Mitchell F. Hepburn of Ontario stated that the two problems which interested Ontario most were that of relief and that of the overlapping between federal and provincial services.

Premier L. A. Taschereau of Quebec held that the three main problems were the amendments to the British North America Act, unemployment, and the financial position of the Dominion and the provinces.

Premier John Bracken of Manitoba presented the three point program of his delegation:

- (1) unemployment and relief,
- (2) realignment of the sources of public revenue,
- (3) making the constitution of more service to the people.

He called for the establishment of a means to amend the constitution in Canada. In addition, he asked for consideration of matters not on the prepared agenda--such as, a review of the Dominion program of pensions for the blind and a review of the Farmers' Creditors Arrangement Act⁵ and action to make it constitutional.

Premier T. D. Pattullo of British Columbia emphasized the burden placed on his province by the unemployment situation. He advocated an extensive program of public undertakings.

5 re Farmers' Creditors Arrangement Act, (1937) A.C. 391

Premier W. M. Lea of Prince Edward Island outlined certain of the grievances felt by his province such as the fact that grants and loans to the provinces had been among the lowest in Canada on a per capita basis. He asked that the situation should be investigated and some adjustment made.

Premier W. J. Patterson of Saskatchewan described the extra burden placed on the relief load in his province by the adverse climatic conditions of the drought. He recommended an expanded program of public works. The biggest problem was in the rural districts where between 1929 and 1935, \$85,000,000 had been spent in relief of drought conditions, alone.

The opening addresses of the premiers were on the whole merely expressions of gratification at the calling of the conference and of intention to cooperate to the greatest possible extent, together with statements of the various individual provinces' desires.

The conference decided not to hear any delegates from organizations which might seek to appear before the meeting. It was agreed, however, that the Prime Minister, together with the provincial premiers and a representation from the federal cabinet, should meet with a delegation sent by the mayors of certain Canadian cities.

The opening proceedings of the conference occupied the morning of December 9th. In the afternoon of that day and on the succeeding days of the conference, the six:

- 6 It is of interest to note various signs of political by-play in the opening addresses such as Mr. Hepburn's threat to take up residence in Alberta should the Conference fail and Mr. Aberhart's reference to a sign in a Montreal railway station: 'Do not talk to anybody, even though you know his language.'

subcommittees met and carried on their discussions. As these were held in private, no record is available of the actual meetings.

On the afternoon of December 13th, the second and closing plenary session was held at which the reports of the subconferences were presented by the respective chairmen.

Report of the Committee on Tourist Traffic and Transportation

1. Tourist traffic and national parks:

The committee recommended a stock-taking of Canada's actual and potential tourist attractions and the establishment of a cooperative policy to preserve them. It also recommended that a permanent committee be set up representing all official tourist bureaus to coordinate services. It suggested that any province not possessing a national park should be given the opportunity to have such a park established. A minor recommendation was that the highways should be made dust free to the greatest possible extent.

2. National Highways:

high cost in B.C.

The committee recommended the building of the Trans-Canada Highway with expenditures shared equally between the provinces and the Dominion. The standards of the construction were to be agreed upon by the federal government and the provincial government concerned. The committee sought abolition of all level highway-railway crossings at the earliest possible moment.

3. Regulation of Traffic:

The committee agreed that the Minister of Transport should ascertain all public carrier rates in order to aid the provinces in establishing uniform rates for highway transportation of passengers and freight. The principle of full insurance coverage for passengers and freight was endorsed. It was suggested that the provinces should limit the hours of labour for drivers of commercial vehicles and that the vehicles should be kept up to a proper standard by inspections. It was suggested that drivers should be required to pass medical tests. Any proposed service should obtain a writ of public service and necessity. Wage standards should be provincially regulated. The committee advocated the setting up of a coordinating committee of provincial representatives with a permanent office under the Department of Transport to collect data on the subject. It was also recommended that the Dominion Bureau of Statistics should establish some national scheme of road transport statistics.

Report of the Committee on Mining Development and Taxation

1. Uniform Tax in each of the Provinces:

The committee felt that the Canadian Federal system was too complex to allow any uniform method of taxation.

- 7 This did not include taxi and delivery service vehicles.
 8 This study was confined to metal mining only.

2. Dominion Mining Tax:

Some members of the committee felt that the Dominion Government was receiving too much of the taxation from mines. Ontario advanced an alternative proposal⁹ and the federal cabinet minister agreed to follow this suggestion up.

3. Depletion allowance in Dominion and Province:

The committee could reach no agreement on uniform practice or equitable rates in this matter. The Dominion was to consider increasing the depletion allowance from 33-1/3% to 50%.

4. Possibility of fixed rate of taxation for five years:

The committee felt that stability in taxation would do much to strengthen the position of the industry.

5. Collection of mining taxes:

The committee upheld the existing system whereby each government collected its respective tax. A proposal was made that the Dominion authorities should collect all the taxes but this idea was rejected.

6. Reduction of duties on implements and machinery used in mineral production:

This policy was endorsed and the committee expressed approval of the lowering of costs through the reciprocal trade agreement with the United States.

7. Legislation respecting promotions:

The committee recommended a conference of the

9 For details see Report of Proceedings. p. 32.

Dominion and the provinces to draft a new form of Companies Act that might be applied uniformly across Canada. It was felt that such action would be advantageous to the public. Yet the 1934 attempt¹⁰ had met with no response.

The Committee recommended extension of Dominion geological surveys. A committee was set up composed of the Federal Minister of Mines and representatives of the governments of Quebec, Ontario, Manitoba, and British Columbia to act as a continuing committee to get action on the¹¹ recommendations.

Report of the Committee on Agriculture and Marketing

1. Duplication of administration affecting agriculture:

The committee was gratified at the cooperative efforts of the Dominion and the provinces to eliminate duplication and expressed hope for the continuance of such policies.

2. General agricultural problems:¹²

The committee recommended that the Dominion Department of Agriculture should help agricultural education by restoring the grant-in-aids of¹³ agriculture of \$1,000,000 for ten years. Such

10 See Chapter VIII

11 These were the only provinces much interested in metal mining.

12 Manitoba and Alberta were not represented at several of the sittings of this committee and hence several problems peculiar to the West such as rust, soil shifting and drought, were not discussed.

13 The Agricultural Instruction Act, June 1913, had provided the distribution of \$10,000,000 over a period of ten years.

grants could be administered jointly. The Committee favoured extension of the existing scheme of agricultural statistics through conferences of provincial officers and the Dominion statisticians. The committee advocated the continuance of Dominion farm loans at a rate of four per cent. per annum. Loans of too great size should be avoided. The fact that the Farmers' Creditors Arrangement Act was before the Supreme Court made discussion of the farm debt problem difficult. However, the committee felt that the provinces should administer legislation on this matter chiefly because of the regional differences in Canada.

3. The possibility of developing market operations in the provinces:

The committee urged the Dominion Government to make every effort to establish markets for local crops produced in more than one province. The committee specifically mentioned the market for potatoes but made clear its intention to include other products. The committee also stated its desire to have a conference of the Dominion and provincial ministers of agriculture to consider the marketing problem as soon as the Supreme Court should make a decision on the Natural Products Marketing Act.

- 14 Such a meeting did take place in December 1936 under the chairmanship of the Hon. Mr. Gardiner, Minister of Agriculture. Resolutions passed concerned such matters as grading of farm products in interprovincial and international trade, enforcement of Dominion government regulations in processing plants and transport and distribution agencies.

Report of the Committee on Constitutional Questions

1. Revision of the British North America Act:

The committee decided in favor of revision of the British North America Act to give the Canadian Government power to amend the Canadian constitution. ¹⁵

The Minister of Justice was to convene a meeting of "appropriate officials" ¹⁶ to devise a scheme satisfactory ¹⁷ to the Dominion and provincial governments and once such a scheme had been developed to call a conference ¹⁸ to consider the proposal.

The Committee did not act on the matter of social legislation as the Acts respecting this passed under the Bennett Government were at that time before the Supreme Court. The committee recommended that steps be taken to unify the various company laws throughout Canada.

- 15 The only dissenting vote to this resolution was by the Hon. J. B. McNair of New Brunswick. In a speech at Fredericton on December 16, 1935, he declared the amendments would "permit extension of the Dominion's field of legislation at the expense of the Provincial Legislatures."
- 16 See Report of Proceedings. p. 38.
- 17 Mr. Major of Manitoba did provide such a draft proposal but no record of it was published.
- 18 Mr. Lapointe announced his intention of sending out invitations to the Conference on the very day he presented the report under discussion. The committee was set up and worked with Mr. Lapointe in Ottawa in 1936. The committee failed to arrive at any general agreement.

Report of the Committee on Unemployment and Relief¹⁹

1. Registration of the unemployed on relief:

The committee suggested a method of registration.²⁰

The following classes were to be considered:

- (1) unemployed persons
- (2) unemployables
- (3) farm and other relief not due to unemployment

The committee also defined its terms:²¹

unemployed person - any person 16 years of age and over, physically and mentally capable of work and available for gainful occupation.

unemployable person-any person 16 years of age and over, available for gainful occupation, but physically or mentally incapable of gainful employment.

The registration was to start on January 31st, 1936.

Three schedules (A, A1, B)²² were presented providing for full information on persons receiving relief.

The agencies conducting the registration were to

19 For a detailed report on the problem see Unemployment and Social Insurance, A. E. Grayer, Royal Commission Studies. 1939.

20 Report of Proceedings. p. 39

21 Ibid. p. 39

22 BB was for farm relief. For Schedules see *ibid.* p. 40-42.

be those municipal and provincial agencies already operating in the relief field. The Relief Administration Branch of the Federal Department of Labour was to coordinate the surveys. It was the intention of the committee that the registration should be kept up by the Provinces monthly in a rough fashion and once annually in an accurate fashion. It was hoped that through the medium of this registration, a basis for government policy would be established. ²³

2. Future policy on unemployment relief in Canada:

The committee felt that the Federal government should confine its relief services in the future to provision for unemployables and their dependents. The provinces were to help in this regard. The Old Age Pension Fund would take care of such people when they reached the proper age. The municipality and province were to look after all others on unemployment relief but incapable of self-supporting labor. The committee suggested the establishment of a Dominion

- 23 During the 1936 Session of the Commons, the Hon. Norman McI. Rogers reported that in line with the Conference's recommendations forms had been drafted by the Department of Labour and distributed to the provinces and municipalities in January 1936. Response was quite good. On March 30, 1936, Mr. Rogers presented the first statistical tabulations from these forms. Hansard II. 1936. p. 1574

commission on employment and relief. This commission would carry out a national registration of unemployed workers, determine the standards a province must meet in order to participate in Dominion funds, coordinate public works with a long range view, and supervise the distribution of any Dominion funds for relief. An attempt was to be made by the commission to eliminate seasonal fluctuations by obtaining the coordinated cooperation of business interests. Also, the Government should institute a program of technical training for youth. In conclusion, the committee advised the Dominion Government to increase its relief grants to the provinces and to cooperate closely with the junior governments in the collection of unemployment statistics.

Report of the Committee on Financial Questions

1. Financial position of the provinces:

This committee studied the financial positions of the provinces. In each, debt was steadily increasing and much current revenue had to go to debt service. The Dominion's financial aid had become the sole salvation of the credit of the four Western Provinces. The committee recommended that strong stands should

- 24 Mr. King announced at the conference that his Government planned to give further financial aid to the provinces. Directly as a result of the Conference were the increased Federal grants-in-aid apportioned to permit the provinces to relieve the municipalities. From December 1935 to March 1936, these grants from the Federal Treasury were increased from \$1,750,250 a month to \$3,066,219 a month.

be taken to balance the budgets. The poor financial conditions of the provinces led to several recommendations to the committee that the Dominion government should guarantee the refunding of some of the provincial debts. These representations were considered but not acted upon.

2. A national loan council:

The committee investigated this suggestion but again came to no decision. The model used for discussion was the Australian Loan Council.²⁵

3. Duplication of taxation and possible reallocation of tax sources as between the Dominion and the Provinces:

The committee discussed four possibilities under this heading:

- (1) that income taxation be left to the provinces,
- (2) that the proceeds of the Dominion sales tax should go all or in part to the provinces for unemployment relief.
- (3) that the Dominion should, if requested,²⁶ collect provincial income taxes.
- (4) that collection of succession duties should be unified under the Dominion. The Dominion could give the revenue to the provinces or keep it and give the provinces a substitute revenue.

²⁵ See Appendix III

²⁶ An arrangement to do this was later signed between Ontario and the Dominion. The Department of National Revenue became the Collecting Agency. Hansard I. 1937. p. 980.

The committee could reach no agreement on these matters. It did recommend that the British North America Act should be amended to set out definitely what the provincial powers of taxation were. A continuing committee of the Dominion Minister of Finance and the treasurers of each province was set up to carry on further discussion. The committee emphasized the need for an increase in the national income.

The continuing committee met in January and March of 1936 and came to some conclusions on policy.

The Dominion Government agreed to attempt to amend the British North America Act to allow the provinces to levy a tax on retail sales and to permit the Dominion to guarantee provincial debts in return for security from the provinces in the form of pledges of the Dominion subsidies. Further, a National Finance Loan Council and Provincial Loan Councils were to be set up.²⁷

The Government did introduce such legislation but it was rejected by the Senate. Nevertheless the Finance Committee, as set up by the Conference of 1935, had, in Mr. Dunning's view at least accomplished much valuable work. He promised to continue his assistance to the provinces pending the enactment of²⁸ the loan council proposals.

- 27 Alberta would not agree to these proposals, claiming they would violate provincial autonomy. Mr. Pattullo of B. C. was also known to be opposed.
- 28 On January 15, 1935, the Dominion Government came to the aid of Alberta when a \$2,000,000 bond issue could not be met.

In December 1936, the National Finance Committee met with representatives from all governments to discuss financial questions.

The above reports were adopted by the Conference.²⁹
It was agreed that the reports should be printed and circulated among the provinces.

The Conference was then addressed by representatives of the various provinces.

Speaking for Ontario, Mr. Roebuck³⁰ expressed particular gratification at the Dominion government's proposal to pay half the cost of the Trans-Canada Highway. He criticized the report of the Committee on Unemployment and Relief as not suggesting any means for increasing employment. He stressed Mr. Hepburn's desire to have provincial and municipal debts refunded at a fixed rate³¹ and to have the Bank of Canada nationalized.

29 The motion was moved by Mr. Roebuck of Ontario and seconded by Mr. Taschereau of Quebec.

30 Because of illness, Mr. Hepburn was absent during the closing plenary session.

31 Mr. Hepburn's proposal for debt refunding caused considerable furore at the time. The Toronto Daily Star of December 11, 1935 printed:

Premier Hepburn created consternation in financial and political ranks today as reports of Ontario's plea for compulsory refunding of all governmental and municipal bond issues at a nation-wide interest rate of 3 per cent. seeped out of the Dominion-provincial Conference here.

The Montreal Gazette of December 19, 1935 stated:

The attitude of the Ontario Government seems to justify the assumption that compulsion would follow if persuasion failed.

British Columbia and Alberta evidently supported Mr. Hepburn.

In conclusion he strongly backed up the proposal to allow the British North America Act to be amended in Canada.

Mr. Taschereau of Quebec endorsed heartily the plan³² to have the British North America Act amended in Canada. He demanded a solution for the unemployment problem. In this regard he advocated Dominion loans to the provinces to stimulate housing. He ended his address by imploring the various governments to maintain the good credit of their country by keeping their respective financial houses in order.

Mr. Macdonald of Nova Scotia pressed for continuation of the work of the conference after the delegates had returned home. Too often the delegates had failed to carry out their obligations at the close of conferences.

32 Mr. Taschereau here reversed his previous stand on this matter. In doing so he defended himself as follows:

So far as the British North America Act is concerned some of the members of this Conference who attended the previous Conference might perhaps believe that I have somewhat changed my mind, and that is true; but if to some extent I changed my mind and was instrumental in proposing the resolution which has been practically adopted by this conference, it was when I saw the good spirit that prevailed on the part of representatives of all the provinces -- a spirit of cooperation, a spirit of toleration towards minorities. Every prime minister and every minister whom I met here assured me that they had but one desire, and that was to maintain throughout Canada that goodwill, that cordiality and spirit of tolerance that has existed in the past among all Canadians, to whatever race they belong and whatever religious faith they may hold.
Record of Proceedings. p. 51.

Mr. Dysart of New Brunswick stressed the importance of a works program for relief. He warned that Canadian governments must soon face the problem of refunding.

Mr. Bracken of Manitoba lauded the report of the Committee on Agricultural Problems. He suggested the possibility of decreasing the taxation on mining in Manitoba in order to allow the industry to develop into a means of livelihood for many of the unemployed. He told of Manitoba's financial difficulties but was optimistic about their solution.

Mr. Pattullo of British Columbia vigorously backed up the motion to amend the British North America Act in Canada. He strongly advocated an expanded works program. Again he advanced British Columbia's claim for "better terms." And once more he asked the Canadian National Railway to absorb the British Columbian government's "white elephant, .. The Pacific Great Eastern Railway."

33

Mr. Lea of Prince Edward Island recommended that the Dominion government should take over the complete collection of the income tax in his province.

Mr. Patterson of Saskatchewan promised the complete cooperation of his government. He complimented Mr. King upon the recent completion of the trade agreement with the United States and forecast that it would greatly aid Canadian producers.

Recognized around the time?

33 (On his return to B. C. Mr. Pattullo declared himself well satisfied with the Conference. However, he once more reiterated his belief in provincial autonomy.)

Mr. Aberhart of Alberta recommended that the methods of distribution of relief should be altered to some more equitable method. He requested aid for Alberta in the refunding of her debt. He expressed his appreciation that he, the only non-Liberal premier at the Conference, had been treated so well by the delegates.

In his concluding summary Mr. King emphasized the need for readjustment of finances. He said:

...we must return, as regards our revenues and expenditures, as in all else, to responsible government in the fullest meaning of that term whereby the governments that spend public moneys must be the governments which, through the agency of taxation, raise what is to be spent.³⁴

This problem was the fundamental one in his estimation.

He emphasized his determination to establish a national commission on unemployment. This he had advocated for the past five years as leader of the opposition in the House of Commons.

He promised extension of Federal Government aid towards expanding trade, a vital element in the Canadian economy.

The Prime Minister stressed one point--that the conference was merely a body of enquiry. He stated:

May I say how much I appreciate the attitude of the members in endorsing so wholeheartedly the idea of keeping the conference essentially a conference. I am sure by so doing, we have successfully paved the way for more successful gatherings of the kind in the future. A mistake has too frequently existed in the past, when conferences have been held between members of the provincial governments and of the Dominion government, has been the belief that, unless many matters were definitely and finally settled at the time of the conference, the conference itself had not been a success.³⁵

³⁴ Record of Proceedings. p. 62

³⁵ *ibid.* p. 63.

In this statement Mr. King struck the fundamental note of the conference system--that the meeting should afford a plan for free, open, and thorough discussion of mutual problems with a view toward suggesting future courses of action. Even when definite decision is reached under the system, there is no way of enforcing that decision beyond the voluntary cooperation of the deciding parties.

The Prime Minister concluded by stressing the virtues of cooperation. Only by acting together could the provinces and the Dominion achieve the best results.

Following Mr. King's concluding remarks, the Conference adjourned.

In form, in substance, and in findings, the 1935 Conference was the most important held up to that time. It is necessary to point out that the findings adopted served in many cases as the bases for government policy. And it is significant to note the following developments that occurred in the five years following the Conference:

- ✓ (1) increased attention to the use of tourist traffic as a means of augmenting the national income.
- ✓ (2) Completion to a large extent of the Trans-Canada Highway under a scheme of joint Dominion-provincial finance.
- ✓ (3) Income tax exemptions for certain periods for new mines coming into production.
- ✓ (4) Readjusted taxation arrangements for established mining properties.

- (5) Building of mining roads by the Dominion government.
- (6) Scaling down of rates on farm loans in Manitoba,
Saskatchewan and British Columbia under the Farmers'
Creditor Arrangement Act.
- ✓(7) Various reciprocal trade agreements.
- ✓(8) Increased federal subsidies to the provinces.
- ✓(9) Establishment of a national bank.
- ✓(10) Partial registration of the unemployed.
- ✓(11) Amendment of the British North America Act to
provide for unemployment insurance under the
Dominion government and the passage of the
relevant bill.
- (12) The Report of the Royal Commission on Dominion-
provincial Relations.

No estimate can be made of how many of these developments were directly or partially due to the efforts of the Conference of 1935. Although not as much weight was given to the recommendations as might have been given, it is safe to say that the findings of the Conference have had an important influence on the actions of the federal and provincial governments since 1935 and thus fulfilled part of the major requirements of a Conference. Nevertheless many important recommendations, such as that to have the British North America Act amended in Canada, were not then implemented.

As might be expected the Conference met with mixed reception from the country's political leaders. Mr. Bennett, himself leader of so many Dominion-provincial Conferences,

attacked the 1935 Report:

It is a statement of speeches of goodwill, of loyal devotion to one another and to the cause of liberalism that would be amazing if it were not amusing....I will say this about the Ottawa Conference. The Ottawa Conference...was a great conference and hereafter Ottawa will always be remembered as the greatest health resort known in history, for while the first minister was bewailing the illness of the first minister from Ontario, the minister from Queen's Park was certainly enjoying himself in other parts of the country...It is an amusing story, but what have they accomplished? There is a printing bill charged to the House of Commons.³⁶

In defending the Conference, Mr. King stated:

He (Mr. Bennett) stated that he had never read a document so full of goodwill, so full of praise from one end to the other. May I tell my right honorable friend that good will is the basis of good work. The trouble with his administration in its relation with the provinces was that there was never a basis of goodwill. Good will is the thing above all others we have been seeking. We have it at last in this country as between the provinces and the dominion. Instead of ill will we have good will, in the effort to see what can be done to advance the common interests of our country.³⁷

At any rate there was much gain in the cooperation and friendly feeling between the provinces and the Dominion government. Such cooperation was all important if the various governments were to function in the most efficient possible manner. At the end of this 1935 Conference one might well have held the view that the provinces and the Dominion were on the way toward closer harmony in governmental functions.

³⁶ The use of the word "liberalism" was perhaps intended as to have a double meaning because nine out of the ten governments involved were Liberal in party affiliations.

³⁷ Hansard I. 1936 p. 53

³⁸ Hansard I. 1936. p. 85.

CHAPTER XV
THE CONFERENCE OF 1941

With the marked success of the 1935 Conference apparent and with Mr. King, an outstanding advocate and practitioner of the conference system, still in power, it would have been expected that another Dominion-provincial conference would soon be held. Such was not the case, however, for five years passed before another conference was called.

In this period, however, the Dominion government had set up a Royal Commission on Dominion-provincial Relations to inquire into the financial powers and obligations of the Federal and Provincial governments. On May 16, 1940 the Dominion Government received the Report of this Commission. The Report was widely heralded as the most complete and comprehensive survey ever made of Canada's economic and social conditions. The Report also set out suggestions of the Commissioners for change in Canada's financial and economic organization.

After considering the Report for some time, Mr. King decided to call a Conference of Dominion and Provincial officials to discuss it. Accordingly on November 2, 1940 he issued a letter of invitation to each of the Provincial Premiers. His letter was a long one, but certain extracts from it will indicate the viewpoint held by the Prime Minister

concerning the Conference. In part the letter read:¹

The report commends itself strongly to our judgment. We believe that no time should be lost in arranging for a conference with the Provinces, in order to secure, if possible, the adoption of the Commission's recommendations.

You will recall the circumstances which, in 1937 led to the creation of the Rowell-Sirois Commission. It was appointed because of general dissatisfaction in respect to Dominion-provincial relations and arrangementsa dissatisfaction which reached a critical stage during the depression.. The inability of local and Provincial Governments to deal with mass unemployment and agricultural distress, and the resulting financial difficulties and controversy in regard to policy and administration responsibility, constituted admitted evils and a serious strain on national unity. The necessity, under existing constitutional authority of maintaining local responsibility for relief, precluded the development of policies on a national scale, and produced a situation which seriously affected the morale of the unemployed and destroyed the financial independence of many local governments. In the emergency the Dominion made large contributions for relief purposes but could not assume full or permanent responsibility for unemployment nor can it do so, unless measures such as those contemplated by the Commission are agreed upon.

Mr. King hastened to assure the provinces that their autonomy would not be affected...

It was the Commission's task to determine how Canada's unique Federal structure, as set up in 1867, could be made to function smoothly and yet retain the distinctiveness of its component parts. The Government's instructions in this regard were explicit. In my statement to the House on February 16, 1937, referring to the appointment of the Commission, I said that the Commission was to make recommendations, "to enable all Governments to function more effectively--and, I may add, more independently--within the spheres of their respective jurisdictions." The Commission not only carried out these instructions, but emphasized throughout its report that its recommendations would lead to a real and desirable Provincial autonomy, by assuring true financial independence.

1 As reprinted in the Toronto Globe and Mail, November 8, 1940

From September 1939, Canada was at War with Germany and Mr. King set before the Premiers the proposition that adoption of the Commission's recommendations would be a great aid to Canada's War effort. *

The war has intensified the problem and emphasized the urgency of its solution. While the cost of unemployment relief has been reduced, the war has cast additional burdens on Governments and taxpayers alike. It has inevitably increased the competition between Governments to secure revenues, and has aggravated the overlapping, cumbersome and discriminatory character of much of our tax structure. Sometimes the competitive effort to secure revenues has resulted in struggles between the Dominion and the Provinces; sometimes, in conflicts between the Provinces themselves. If this situation continues, the war effort itself will inevitably be hampered. It is the view of the Government that adoption of the Commission's recommendations is necessary to put our country in a position to pursue a policy which will achieve the maximum war effort and, at the same time, to lay a sound foundation for post war reconstruction. For these reasons we should like to avail ourselves of the earliest opportunity to place our views before the Provinces, and to discuss with them the recommendations of the Commission.

The Report to be considered by the proposed Conference was a very lengthy one. However, Mr. King made it clear that he intended the Conference to discuss only Plan I as suggested by the Commission. This Plan I was summarized by the Commission itself as follows:

(1) Relief to Provinces:

The Dominion would relieve the provinces (and the municipalities) of the whole burden of relief for the employable unemployed and their dependents.

The Dominion would assume the whole of the provinces (but not the municipal) debts and would in effect bear the deadweight cost of this debt, as it would collect from the provinces no more than the return which they receive today from their revenue producing assets. The provinces would thus have no further provisions to make for sinking funds.

2 Rowell-Sirois Report, Book II p. 86. The summary is given in full to give an unbiased and complete picture of the plan.

In the case of Quebec, where the provincial debt is an unusually low proportion of the combined provincial and municipal debt, the Dominion would assume 40% of the net, or deadweight, cost of combined provincial and municipal debt service.

(2) Withdrawal of the Provinces from certain tax fields

The provinces would cease to use the following forms of Taxation:

The personal income tax; taxes on corporations or corporate income which would not be imposed on individuals or partnerships; and succession duties.

(3) Surrender of subsidies

The provinces would surrender all existing subsidies.

(4) Remaining provincial revenue sources

The Dominion, while retaining its unlimited taxing powers, would recognize an obligation to respect the remaining revenue sources of the provinces.

In addition, the Dominion would pay annually to each province, a sum equal to the tax which that province would have received had it collected from mining and oil producing companies 10 per cent of the net income which was derived from mining, smelting and refining of ores and oils produced in the province.

(5) New provincial revenue sources

The Dominion would pay annually a National Adjustment Grant to certain provinces. The amount of the grant would be such as to enable each province (including its municipalities) without resort to heavier taxation than the Canadian average, to provide adequate social, educational and development services. The weight of taxation is estimated by comparing the provincial and municipal taxation with the total income of the province. The test of adequacy of social and educational services is found in the Canadian average for these services. The adequacy of developmental services

is tested by what the province itself has done in years which may be considered normal.

The original adjustment grants would be irreducible. Increases would be granted (on the advice of the proposed Finance Commission) at appropriate intervals if they were needed, in order to enable a province to perform its functions adequately without exceptionally heavy taxation.

In addition to the National Adjustment Grants payable to some provinces, the Dominion would pay an Emergency Grant to a province in which abnormally bad conditions prevailed. Such a grant would be made for a year at a time, reduced as soon as possible, and eliminated as soon as possible.

3 The Commission estimated the financial position of the provinces under the scheme as follows:

	<u>Base Period</u>	<u>Revenues Grant \$000's</u>	<u>Expends. Surplus \$000's</u>
Prince Edward Island	av. 1936-39	<u>680</u> 750	<u>1,170</u> 260
Nova Scotia	av. 1936-39	<u>6,900</u> 800	<u>6,900</u> 800
New Brunswick	av. 1936-39	<u>5,100</u> 1,500	<u>4,350</u> 2,250
Quebec	1938-39	<u>39,800</u> 8,000	<u>46,800</u> 1,000
Ontario	av. 1936-39	<u>57,300</u> No grant	<u>52,600</u> 4,700
Manitoba	av. 1936-39	<u>8,200</u> 2,100	<u>9,000</u> 1,300
Saskatchewan	1939	<u>12,500</u> 1,750	<u>13,300</u> 2,950
Alberta	(Emergency Grant) av. 1936-39	<u>13,100</u> No grant	<u>10,900</u> 2,200
British Columbia	av. 1936 -39	<u>20,000</u> No Grant	<u>19,100</u> 900

Monthly Review, Bank of Nova Scotia, Toronto, December 1940
And Rowell-Sirois Report, Chapter II, Vol. II.

(6) Future Borrowing

Future provincial and municipal borrowing would have to be in lawful money of Canada.

Future provincial borrowing might be either:

- (a) as today on the sole credit of the province, in which case the debt charges would not be counted as part of the financial need of the province if it applied for a National Adjustment Grant. (if it were not receiving one) or for an increase in its grants; of
- (b) on the credit of Canada, if the proposed Finance Commission is asked to approve it, and after reviewing all the circumstances, does so.

(7) Freedom of Provinces

No control of provincial expenditures is contemplated. Every province would be quite free to improve its services by specially heavy taxation, or to have specially light taxation by reducing its services, or to develop some services in excess of the Canadian average at the expense of others which would remain below it.

Mr. King's decision to treat the Commission's plan as a War measure was generally unexpected. Immediately a storm of controversy for and against the proposal swept across Canada. From the first it was conceded that Ontario, British Columbia and Alberta would be in opposition. The Hon. Mr. Pattullo of British Columbia, on receipt of the Prime Minister's invitation, made a statement in the British Columbia Legislature criticizing the Rowell-Sirois Report.

Probably more publicity attended the opening of the Conference on January 14th, 1941 at Ottawa than had attended any other Dominion-provincial Conference in history. All Canada awaited with mixed feelings the outcome of the discussions of the Report, which in the words of the Press,

proposed a "Re-confederation of Canada."⁴

Mr. King presided at the Conference and there were fifteen Dominion Cabinet Ministers, nine Provincial Premiers, and forty-six Provincial Ministers as well as a great number of expert advisers.⁵

Mr. King opened the Conference with a lengthy address. He welcomed the delegates and admitted the fact that there were differences of opinion. He stated that the technical procedure which had been laid down for the Conference was open to any alteration which the delegates should decide upon.

Mr. King stoutly denied that the calling of the Conference during War time would interfere in any way with Canada's war effort. In response to criticism of the Conference as being likely to threaten national unity, Mr. King stated:

4 The Toronto Globe and Mail on Jan. 14, 1941 printed this:
One of the most far-reaching and significant conferences in all of Canada's history since 1867 will open in the House of Commons Chamber tomorrow morning when Prime Minister Mackenzie King will be the target in what is now expected to be a stormy political meeting.

Sectionalism will be rife. The ancient cry of Provincial Rights will be thundered from the Pacific to Atlantic.

5 See Appendix I

Moreover, the assumption that a Dominion-provincial conference would endanger the national unity of Canada, so essential to our war effort, would be a grave reflection upon the patriotism of all governments represented there.

There are, of course, bound to be differences of opinion whenever a conference is held. Government itself, in a democratic state, is largely concerned with overcoming and reconciling differences. In fact, if no differences existed, no conference would be necessary.⁵

Mr. King emphasized that the added burdens imposed by the war made even greater the problems of both the Dominion and Provincial Governments.

We know that the problems of Dominion-provincial relations are being intensified by the war, and that the difficulties of their solution will increase, the longer the attempt to meet them is delayed. We all know that the war effort itself will be prejudiced if the growing stresses and strains in inter-governmental relations are not relieved.

Mr. King contended that world conditions were rapidly changing and that Canada must change to meet these conditions. He made clear the approach of the Dominion Government to the Conference:

Let me repeat: While the recommendations of the report have commended themselves to our judgment, we do not approach the conference with our minds closed. We do not say "all or nothing;" or "everything at once." We readily recognize that the recommendations on all subjects may not be immediately acceptable. They must be considered on their merits in relation to the obligations of the provinces as well as to those of the Dominion.

If we do not approach the conference with our minds closed, much less has the federal government any thought of trying to impose the recommendations of the report upon the provinces.⁸

And again,

What we seek is the largest possible measure of common agreement to enable the federal and provincial governments so to cooperate as to make our Canadian system work with less friction and greater efficiency for the benefit of the people of Canada in all the provinces.

Mr. King held that the crux of the problem facing the delegates lay in the readjustment of the financial arrangements between the Dominion and the provinces. The War had further intensified these difficulties.

The Prime Minister made it clear to the delegates that his government could exert drastic powers if necessary.

The Constitution gave Parliament the right to raise money "by any mode or system of taxation" and if need be the war could be financed under these powers. *threat*

He maintained, however, that he would much prefer that some amicable arrangement would arise from the conference.

Mr. King absolutely denied that the Plan was an attempt at "re-confederation."...

An exaggerated notion has arisen that we are proposing to rewrite the constitution, or to rebuild the structure of Confederation.

The recommendations involve no such grandiose design.

The structure of Confederation houses a nation which is today stronger and more united than ever before. The weight of the structure is, however, not so evenly distributed as it was originally. It has been shifted in places by the vicissitudes of time and, particularly, by the storms of recent years. It rests today more heavily on some parts of the foundation than on others.

The problem facing us at present is to distribute the total burden more evenly, and to strengthen the parts of the foundation which must bear the increased and increasing burdens.⁹

And again, he countered the charges that provincial autonomy

would be threatened by claiming that "the best way to preserve provincial autonomy is to maintain provincial credit," and this could best be done by adopting the Plan as proposed by the Commission.

The Prime Minister concluded with a strong appeal for a spirit of tolerance and of union. His final words were:

We meet, not in opposition one to the other, but as partners in the great enterprise of furthering the common interest of our country, and preserving its national unity.

The optimistic and hopeful attitude adopted by Mr. King was completely shattered by the next speaker to address the conference.¹⁰ The aggressive Premier of Ontario, the Hon. Mitchell F. Hepburn flatly refused to give the approval of his government to the Plan. He bluntly condemned the discussion of the plan in war time.¹¹ His speech, a typical example of his flaming oratory¹² burst like a bomb on the conference. He was absolutely uncompromising in his opposition to discuss the plan, putting the interests of his province before any other consideration.

- 10 The Provincial Premiers addressed the meeting in the order of entry of their respective provinces into Confederation.
- 11 "I have your letter of November 2 regarding the Sirois Commission report. I was hopeful that a discussion of this problem would be delayed until after the war, so that there could be no possibility of any controversial issue arising which might impair national unity and the effective prosecution of the war."
- 12 Mr. Hepburn termed the delegates as "fiddling at Ottawa while London burned."

Premier Adelard Godbout of Quebec followed the Ontario Premier with a more conciliatory attitude. He stated that he and his colleagues had come with open minds, prepared to listen and to learn. In part he said,

We come here as Canadians...If there is something in the national life of Canada which should be improved, we are ready to study with our fellow-Canadians any proposed means for improving it...On our part we do not take a selfish view of our own province only.

Premier A. S. MacMillan of Nova Scotia gave the impression that his province would cooperate. He agreed to discussing general principles and to allowing details to be worked out at a later period.

Premier McNair of New Brunswick stated his province had come to learn. He thought it too early to express a definite opinion on the financial plan.

Premier Thame Campbell of Prince Edward Island indicated his support of the Report.

Premier John Bracken, in his opening speech and throughout the Conference, was firmly behind the implementing of the plan. He felt that the governmental machinery as set up seventy years ago had become obsolete.

Premier T. D. Pattullo of British Columbia, however, was in definite opposition to the Prime Minister's proposals. In his reply to Mr. King's invitation, Mr. Pattullo included a copy of his statement made in the Legislative Assembly of British Columbia on the 7th of November, 1940. In part, he had said:

"I look upon the report of the Rowell-Sirois Commission as of most valuable character, but this government is not

prepared to accept the recommendations of this report in toto as suitably applicable to B. C. I do not agree with all its conclusions and the very basis upon which those conclusions were arrived at by the Commission, have in this already short space of time considerably altered, and have changed the picture.

I submit that there are five economic and social units in Canada--the Maritimes, Quebec, Ontario, the Prairie Provinces and British Columbia, and while I think it is desirable that as far as possible the same yardstick shall apply to all, the fact is that in a country as far flung as Canada, it is not possible that a single measure would meet the circumstances of each individual Province. There must be a degree of elasticity. It is this lack of elasticity that has brought about the present situation.

I know that the people of this Province are prepared to make any necessary sacrifice in winning this war and that that object is beyond all else, but this Government will not concur in enactments of permanent character which may, and in considerable probability will be inapplicable to conditions which may arise after and out of the war.¹³

He claimed that if the plan were adopted British Columbia would be a great loser.

14

13 Dominion-provincial Conference, Jan. 14, 15, 1941
Revised Edition, King's Printer. Ottawa, 1941.

14 The Hon. J. S. Hart, British Columbia's Minister of Finance, on his return from Ottawa issued a formal statement of the main reasons for the opposition of the B. C. Government. In part, it read:

After careful study of the Rowell-Sirois Report (particularly Plan I) it was evident that its adoption by the province would curtail greatly the autonomy which has been enjoyed since Confederation, and further, would centralize financial control at Ottawa under a finance commission from whose decision there would be no appeal.

Under Plan I the Provincial Government would be obliged to get the approval of that commission for any loans required for capital expenditures in connection with roads, buildings, or other public works; our budget would be subject to a standard of education and social services much below the existing one...Furthermore, no provision is made for assistance to municipalities.
Vancouver Daily Province, January 25, 1941.

Premier Patterson of Saskatchewan gave the support of his delegation to the plan, but Premier William Aberhart of Alberta vigorously opposed it. Mr. Aberhart's objections were largely against any further centralization of government. *not in plan*

At the conclusion of the addresses of the Premiers, it was already obvious that the Conference had reached a stalemate.

On the morning of January 15, the Hon. Mr. Lapointe and the Hon. Mr. McQuestern met with the Premiers as a steering committee to attempt to get some basis on which the Conference could continue. Mr. Pattullo, Mr. Aberhart and Mr. Hepburn remained adamant, however, and no agreement was reached.

When the Conference had once more assembled the Hon. J. L. Ilsley, Minister of Finance, gave an address, vigorously supporting the report. In pointing out the government's need for added revenues for war purposes, he actually threatened the provinces...

Unless Plan 1 of the Rowell-Sirois Report or a better alternative is adopted, I fear the Dominion will be forced to take measures that may affect provincial revenues.¹⁵

Following the statement of the Minister of Finance there ensued a verbal dog-fight between the delegates. The three dissenting provinces would not compromise and further demanded, against the wishes of the Dominion Government, that any sessions held should be open to the public.

15 Vancouver Daily Province, January 15, 1941. This prophecy was later to be fulfilled as, for example, when the Federal Government in 1941 stepped into the succession duties and amusement tax fields..both formerly left to the provinces. Such invasions were justified as being part of the war financing plan.

The full weight of the Dominion representatives was thrown into the Conference in an effort to save it. The Hon. Mr. Crerar stated:

If the period between 1930 and 1940 exposed our Confederation to stresses and strains it had never before experienced; what it will have to meet after the war will be far greater. As an ordinary business proposition, is it not the sensible thing to recognize that fact, and to sit down and see if by any means we can fortify and strengthen our position to meet that condition when it arises--as it certainly will arise...What harm can come from sitting down, examining and discussing the whole situation?¹⁶

The Hon. Mr. McKinnon and the Hon. Mr. McKenzie, Federal Ministers from Alberta and British Columbia respectively, challenged the statements made by Mr. Aberhart and Mr. Pattullo. The Hon. Mr. Lapointe, wound up the Dominion Government's case with a moving address imploring the delegates not to cast the report aside.

But the Conference could not continue. Refusing even to consider the Report, Premiers Pattullo, Aberhart and Hepburn withdrew their delegates late on the afternoon of January 15th. Before leaving, Mr. Hepburn attacked "Ottawa bureaucracy" and declared bitterly:

The only thing for us to do is to withdraw and leave to you wreckers of Confederation your nefarious work.¹⁷

16 Toronto Globe and Mail, January 16, 1941

17 On January 28, 1941, Premier Hepburn's attitude was defended in a full page advertisement in the Toronto Daily Star and Toronto Evening Telegram. The ads contained in full the statements at the conference of Mr. Hepburn and selected statements from other delegates. At the foot of the advertisement appeared the words "Published by Authority of the Government of the Province of Ontario."

Although the rest of the Provincial Premiers desired to continue the Conference, Mr. King refused. The object of the Conference had been to consider the Commission's plan and since this could not be done without the cooperation of all the Provinces, the Conference was asjourned.

Thus ended the much awaited war-time Conference
18 of 1941. Probably at no time in Canada's history has so much interest been aroused in economic and financial reform. With the Rowell-Sirois Report as a foundation, much had been expected to come out of the Conference.

Yet with so many results anticipated, probably none of the series of Conferences produced less positive results than did the Conference of 1941. The Conference served only to fan the flame of jealousy between the provinces and the Dominion.

19
Dr. Herbert L. Stewart writing in the Quarterly Review of Commerce, Vol. VIII, No. 2, 1941 said:

We cannot, at such a time as this, afford another abortive attempt. What made the last attempt abortive?

Members of the Conference would not even exchange views on a Report prepared with great labour, by highly competent investigators, on matters of vital Canadian concern. Why the refusal? In great part, at least, because they thought they saw an attempt to exploit war-time emergency for a hurried constitutional change on which, whether good or bad, it would be impracticable to go back--for

- 18 Labor Ministers and officials from the provinces met on January 15 with the Hon. Norman McLarty, Federal Labor Minister. They discussed Labor's relationship to Canada's "war effort." Also plans were laid for frequent repetition of these conferences of Labor Ministers.
- 19 Editor in Chief of the Dalhousie Review and Professor of Philosophy in Dalhousie University, a noted Canadian news analyst.

perhaps another 70-year period. I express no opinion here on the justice or injustice of this resentment: enough that the complaint was sharply made, even by so moderate a "cross-bench" delegate as the Premier of Quebec. But why, through such anger, discard the fruits of all this work?

Let Dominion and Provinces derive suggestions from the Report for measures of avowedly temporary character by which the present war-time emergency may be met, reserving--without prejudice--the proposals of permanent constitutional change for adequate consideration after the War.

Someone will object "But it is not just a war-time emergency," ...be careful how you say that. It was such a suggestion that wrecked the conference. Nothing but appeal to war-time necessities will have the least effect towards securing any inanimity.

Undoubtedly the 1941 Conference was wrecked by the strong stand of non-cooperation taken by the three provinces --Ontario, Alberta and British Columbia. These provinces were still unwilling to submerge their individual differences and work in a common cause. Sectionalism had once more prevented united action for the best interests of Canada. 20

- 20 The failure of the Conference met with great waves of public feeling. Typical of editorial comment across Canada were the following, illustrating clearly the extremes to which these feelings were carried.

Halifax Herald, January 16, 1941

The ill-starred conference venture could not succeed; it was doomed to failure. No Government representative at the Sirois conference, Federal or Provincial, had a mandate to bring about re-confederation of this Dominion, involving as it would have involved, sweeping changes in the British North America Act.

Halifax Chronicle, January 16, 1941

The Prime Minister made the only possible decision. When the three Premiers firmly refused to go on with the proceedings, and when the Ontario delegation quit the conference, it was apparent that further procedure was useless.

Daily Gleaner, Frederickton, January 15, 1941

It cannot be denied that many good suggestions are embodied in the Commission's report, but it also must be accepted as a fact that the time is not ripe to consider the report, which to meet views at all, must be seriously amended and changed.

Ottawa Journal, January 16, 1941

If one man, placed by accidental circumstance into a position of power, has been able to torpedo this Conference, we still know that the unity of Canada remains; that to reckon with this man--MITCHELL HEPBURN--stand, if we are not mistaken, the serried ranks of our Canadian people, one in heart for Canada and one in heart above all, for a war victory.

The Citizen, Ottawa, January 16, 1941

The collapse of Prime Minister Mackenzie King's ponderous conference is a healthy sign. Complacency in Canadian politics is on the way out.

The Gazette, Montreal, January 17, 1941

The Federal-Provincial Conference has failed to do a wrong thing. It is apparent now that the more forthright opposition of some of the provinces was definitely reflected in the attitude of the Quebec delegation. Premier Godbout's declaration of Wednesday having been much less equivocal in this regard than were his earlier utterances.

Daily Star, Montreal, January 16, 1941

As a result of fanatical action by three Provincial Premiers, the Sirois Report, the most important document submitted for the consideration of representatives of the people of Canada since Confederation, was shelved indefinitely yesterday, and the Provincial-Dominion Conference which had been called to consider the recommendations of that Report was dissolved at the end of two days of speech-making.

Globe and Mail, Toronto, January 16, 1941

By and large, however, the conference which was called to weld different parts of this nation more closely together was sabotaged by minds unable to rise above the cynical plane upon which the game of politics is played.

Evening Telegram, Toronto, January 16, 1941

There will not be wanting critics who will charge Premier Hepburn with responsibility for breaking up the Sirois conference instead of placing the responsibility where it belongs--on the terms of a report that no premier of Ontario

in his sane mind could accept...Yet Mr. Hepburn is entitled to the thanks of Ontario and of Canada for his appreciation of the meaning of the report and his refusal to be a party to implementing it.

Daily Star, Toronto, January 16, 1941

The dominion-provincial conference has ended in disagreement. The Sirois report which was presented as a means of achieving unity has promoted disunity. Its financial provisions were unacceptable in whole or in part to most of the provinces; really warmly espoused by only Manitoba and Saskatchewan.

Winnipeg Tribune, January 16, 1941

It was not the Dominion government that was defeated at this conference: it was Canada itself. The price of its failure will be paid, not by Mr. King but by the Canadian taxpayer. Mr. Hepburn's theatricals of evasion did not, after all, constitute an effective political manoeuvre even in the cheapest sense of the phrase--and when all is said and done, the people are Canadians.

Winnipeg Free Press, January 16, 1941

The fact that Premiers Hepburn, Pattullo and Aberhart made the gesture of coming to the Ottawa conference will not shield them from the charge that can be justly laid against them that they cast themselves in the role of wreckers.

They left home with the intention of wrecking the conference and they will gain no public acclaim because they made the journey. They had closed their minds before they reached Ottawa and speeches they made there bore no mark of reasoned argument.

Leader Post, Regina, January 16, 1941

It was not a natural death which the Dominion-Provincial Conference died Wednesday. It was sheer murder.

Vancouver Sun, January 15, 1941

The spectacle of the interprovincial conference in Ottawa is almost beyond belief. It will amaze, disappoint and disgust every thinking Canadian. Were it not that the Canadian people themselves are showing everywhere a spirit of cooperation and unity, utterly different from the spirit of the conference, Canada might well despair of its future.

Vancouver Daily Province, January 15, 1941

Canada's three saboteurs are Pattullo, Aberhart and Hepburn.

CHAPTER XI

THE FUTURE OF THE DOMINION-PROVINCIAL CONFERENCE

V

As has been previously stated, a federal system of government required a high degree of cooperation between the governmental units involved.¹ Federalism in its very essence denotes a mechanical separation of powers. The Dominion-provincial conference, by providing an instrument for cooperation, can aid in eliminating the rigidities set up by that separation.

The Rowell-Sirois Report states in part:

.....But cooperation between autonomous governments is difficult to achieve. Administrative authorities responsible to different legislatures are not always interested in cooperation; indeed, non-cooperation may on occasion better serve their immediate interests. Autonomous governments may thus tend to become rival centres of power rather than agencies for the cooperative pursuit of the public welfare. This has too often been the case in the Canadian as in the other Federal systems. It is imperative that means be found for overcoming this tendency and for promoting cooperation between the provinces and between the Dominion and the provinces which is so essential to efficiency and economy in administration under modern conditions.²

and,

The need for such regular conferences to promote cooperation between Dominion and provincial governments is obvious. The complexities of our social, political, and commercial organization have now reached a point where the earlier view, once widely held, that all

- 1 For a thorough discussion of both the need for and the difficulties of such cooperation see "Difficulties of Divided Jurisdiction" by J. A. Corry. Rowell-Sirois Commission Studies. Ottawa. 1939.
- 2 Rowell-Sirois Report. 1939. Vol II p 68.

Dominion-provincial difficulties arising from disputes over jurisdiction could be settled by a strict demarcation of powers and responsibilities must be finally abandoned. A clear demarcation of legal power is still theoretically possible, but the functions of government in the modern state cannot be divided sharply between central and local authorities as can legislative power. Many functions inherently unitary in character are in fact divided between the Dominion and the provinces by the present division of legislative power. Public health, the regulation of marketing, the control of business are conspicuous examples. In such matters there will inevitably be gaps and inefficiency in governmental control without at least a measure of cooperation and uniformity of method between different governments. This intermeshing of duties, powers and responsibilities between the Dominion and the provinces demands sympathetic, constant and efficient cooperation between these governments.³

The provision of an opportunity for a more united effort is, in the opinion of the writer, the real function of the conference system. The ten governments concerned find many points of friction and it is at these points that the Dominion-provincial conference becomes important.

Unfortunately, it would appear that this basic function has not been clearly visualized by the authorities responsible for the calling of the conferences. The meetings have been called for many reasons--for the obtaining of information, for influencing public opinion, and, perhaps too frequently, for purposes of coercion. Seldom have the delegates met with the unanimous desire to work together on common problems and difficulties with a view to settlement advantageous to all. Indeed the Hon. Hugh Guthrie, one-time Minister of Justice, made the following statement in

3 Idem p. 70.

1934:

My experience, and I have had some in regard to interprovincial conferences, has been that the Dominion and the provinces have never yet been able to agree unanimously on a single important proposal laid before a conference for agreement.⁴

The federal system of government is not by any means the most wieldy of political forms. Surely with a system whose basic awkwardness is apparent, advantage should be taken of any reasonable means to facilitate the functioning of the governmental machinery.

Here then is the criticism--a means of relief is present and it is not being used properly. If this means of relief is really available, what can and should be done to put it into full operation. The first and most obvious step is to give more importance to Dominion-provincial conferences themselves both in the minds of the governments concerned and in the minds of the Canadian people as a whole.

In the past, the conferences have been held haphazardly. The whim of a Prime Minister or the political expediency of a moment has determined whether a conference would be called or not. This situation has been present regardless of the fact that throughout the reports of the conferences there have been recommendations that the meetings should be held annually or at some regular interval. Indeed the government of Nova Scotia made the following recommendation to the Rowell-Sirois Commission:

⁴ Hansard 1934. I. 257 (Mr. Guthrie was using "interprovincial" to include Dominion-provincial conferences.)

That provision ought to be made, by way of amendment to the British North America Act or otherwise, for annual conferences to be held at a fixed time between representatives of the provinces and representatives of the Dominion.⁵

It is submitted here that the most important method of giving due importance to the Dominion-provincial Conferences would be to make them annual in their occurrence or should such meetings be found, upon trial, to be too frequent, to hold them at eighteen month intervals.

By making the conferences regular, they could become in themselves institutions within Canadian government. They could act as an organized clearing house for all Dominion-provincial transactions. With definite opportunity existing for discussion of Dominion-provincial relations, there would be little need for the now existing sporadic wrangling between the Dominion and the individual provinces. *X 50s deeper after this*

The next important step would be to follow the recommendations of the Rowell-Sirois Commission and set up some form of permanent secretariat or department to deal with the conferences. In this regard the Commission stated:

The Commission....is of the opinion that Dominion-provincial conferences at regular intervals with a permanent secretariat, as suggested, would conduce to the more efficient working of the federal system.....the cost of providing the secretariat should be borne by the Dominion Government and provision should be made for an adequate staff to collect information on Dominion-provincial relations and make it available to all governments....Under the supervision of such a

5 Rowell-Sirois Report, Vol. II, p. 69.

secretariat full records of Dominion-provincial conferences could be kept. A technique of procedure at such conferences could be evolved to afford opportunity for full consideration of matters which might otherwise produce friction or lack of harmony either between the Dominion or one or more provinces, or between two provinces, as well as to promote cooperation on matters of all governments concerned, provided it was clearly understood that no great delay should intervene between conferences, a certain latitude could be allowed in arranging the time when a conference should be held.⁶

The advantages of a permanent secretariat would be many. The prestige and importance of the meetings would be greatly enhanced. Continuity and uniformity could be developed. Possibly most important of all--the work of the actual conferences would be continued throughout the intervening periods by a permanent and expert organization rather than being left haphazardly to some continuing committee which might or might not do a proper job.

There are special government departments and bureaus, both federal and provincial to deal with a great many matters. Surely the harmonious internal workings of the ten major governments in Canada could and should be entitled to the same consideration.

It is submitted that such a secretariat should be established preferably under the supervision and at the expense of the Dominion Government. The cost could, if necessary, be apportioned among the ten governments but the Dominion would probably be well able to handle it. Whether the secretariat should become, as some have suggested, a definite government department, or a separate bureau or commission

based generally on civil service lines is a matter for discussion. However, after considering the political nature of the governments involved, it would appear that as complete a divorcement as possible from politics would be preferable. Hence the second alternative would probably bring about the better results.

If the conferences are given regularity and permanence, much will have been accomplished toward making them the important factor, which in the opinion of the writer, they must become in Canada's federal system. If the way is made clear for the forces of cooperation, a strong blow will have been struck at that very serious enemy to Canadian national development -- sectionalism. Canada has long been a country where geographical units tend to pull against one another rather than in the same direction. Premier Pattullo of British Columbia referred to the situation in the British Columbia Legislature in 1940 by stating that in Canada he saw five separate economic and social units.⁷

Whether or not one can agree with Mr. Pattullo, the fact remains that there are several geographical areas in Canada, each of which places the interest of Canada second to its own.⁸ Yet there have been, and are many in Canada who

7 See Chapter X

8 Rowell-Sirois Report, Vol I, p. 186 - 201. See also Maritime Provinces and the National Policy: Comments upon Economic Regionalism in Canada: Saunders, S. A., Dalhousie Review, Vol. XVI, No. 1, 1936, p. 87.

have a broad outlook and seek to mitigate the effects of this sectional feeling. For example, an independent tax and finance research institute issued the following in 1941:

The recent Dominion-provincial Conference re the report of the Royal Commission on Dominion-provincial Relations illustrates just how far sectionalism has poisoned the political life of Canada and suggests how far it may go in crippling the war effort of the country. The two chief arguments against discussion of the Report seem to have been (1) that some provinces were not treated fairly in the recommendations of the report and (2) that such a report should not be discussed in wartime as it would arouse too many animosities and as clear thought would be impossible under war conditions. The first is not a valid argument against discussing a report, no matter how distasteful its recommendations. Compatriots, particularly when in the same boat threatened with destruction, should be able at least to discuss proposals. Failure to do so might arouse and intensify animosities. A conference between friends can never do any harm except to common enemies. A refusal, however, polite, to discuss the report could make pleasant news for our enemies.

The second reason rests on a tacit assumption that members of the Canadian governments, and Canadians in general, are not sufficiently patriotic to take a dispassionate view of the report and its recommendations. If so, some changes in present personnel would seem to be indicated.

In any event the breaking up of the conference without any real discussion of national and cooperative problems, with or without reference to the Report of the Royal Commission, might be regarded as a major disaster if it were not for the sound sense and determination of the Canadian people and their ability to take a realistic and objective view of present requirements. It is to be hoped that after the war, arrangements will be effected which will make such a fiasco impossible. Many people who live in Canada, and we hope the majority of them are in their hearts Canadians first, want public affairs conducted on this basis.⁹

9 Yearbook of the Citizens' Research Institute of Canada. 1941. p. 6.

If sectionalism can be, and is, a harmful force in our government, what is to be done toward eliminating it. There would appear to be two alternatives--the one to give more and more control to the federal government and less and less to the provinces, the other to discover some means of making our present federalism overcome the difficulties of sectionalism. There are conflicting views held in Canada as to whether or not the federal government should gradually be given more and more power. This work is not a study of the pros and cons of that argument. Suffice it to say that in general, public opinion in Canada would appear to be opposed to such a move. Even the celebrated Report of the Rowell-Sirois Commission was based upon the premise that the present federal system should continue.

Hence the second alternative--that of finding some means within the present system to alleviate the effects of sectionalism--would appear to be preferable.

The means by which that sectionalism can be overcome under the second alternative lie in cooperation between the ten major governments. To date the most hopeful sign of this cooperation has been the system of Dominion-provincial conferences. Hence it is vital that these conferences meet the need for which they have been developed. Such a situation can take place only when both political leaders and the general public alike come to regard the conferences in the light of their true importance to Canadian development.

Once the suggestions set out above have been adopted and the conferences begin to become more and more important, a program of public education will do much to make the conferences a greater factor in Canadian government.

But there must be a definite change of attitude on the part of the political leaders toward the conferences. The Dominion government must drop its all too prevalent tendency to control the whole of each conference. There should be no occasion for the condemnation of the attitude of the Senior government voiced by the Hon. Ian MacKenzie, himself a Federal Minister, in 1935:¹⁰

There was never a conference held by this government¹¹ with any Province since 1930 but the government met the Provinces with loaded guns. There was never a conference held between the administration and the Provinces but an ultimatum was submitted to the Provinces as soon as their representatives arrived here.

Nor should the provincial delegates come to the conferences each distrusting the other. The Hon. Norman McLeod Rogers¹² stated in 1937:

I do not think it would be unfair or in any way unreasonable to suggest that sometimes these conferences have failed because they have met in an atmosphere of suspicion and excessive caution.

The Conference of 1941 is more than an adequate example of the distrust, perhaps indeed, even enmity, among the different governments involved.

10 Hansard 1935 II p. 2061, March 25, 1935

11 Mr. Bennett's Conservative Administration 1930 - 35

12 Hansard. 1937. I p. 447 - 448.

There are faults among all the governments but perhaps it is not too much to hope that Canadian men of public affairs may one day develop a truly national consciousness coupled with enough statesmanlike qualities to make that consciousness effective.

If Canadian federal government is to continue in its present general form--and it would seem that most Canadians are so desirous--the Dominion-provincial conference can and should prove an important and useful instrument in the furtherance of that government. The Conference system has had at least a start in Canada. Much of our constitutional progress is made through the system of trial-and-error. It is to be hoped that the trial period for Dominion-provincial conferences is approaching an end and that lessons will be taken from the errors made. Given regularity, recognition and a new and more favorable attitude on the part of both statesman and citizens, the Dominion-provincial Conference should become an invaluable addition to Canada's federal system of government.

APPENDIX IList of Delegates to the Dominion-Provincial ConferencesConference of 1906From Ontario

Hon. J. P. Whitney, Premier
 Hon. J. J. Foy, K.C., Attorney-General
 Hon. A. J. Matheson, Provincial Treasurer

From Quebec

Hon. Lomer Gouin, K.C., Premier and Attorney-General
 Hon. W. A. Weir, Minister of Public Works
 Hon. Adelard Turgeon, Minister of Lands and Forests

From New Brunswick

Hon. L. J. Tweedie, Premier and Provincial Secretary
 Hon. Wm. Pugsley, K.C., Attorney-General

From Prince Edward Island

Hon. Arthur Peters, K.C., Premier and Attorney-General
 Hon. G. E. Hughes

From Manitoba

Hon. R. P. Roblin, Premier, Minister of Railways and Minister
 of Agriculture.
 Hon. C. H. Campbell, K.C., Attorney-General

From British Columbia

✱Hon. Richard McBride, Premier and Minister of Mines

From Nova Scotia

Hon. G. H. Murray, Prime Minister and Provincial Secretary
 Hon. Arthur Drysdale, Attorney-General

From Saskatchewan

Hon. Walter Scott, Premier
 Hon. J. A. Calder, Commissioner of Education

From Alberta

Hon. A. C. Rutherford, Premier
 Hon. C. W. Cross, K. C., Attorney-General

On Behalf of the Dominion Government:

Rt. Hon. Sir Wilfred Laurier, G.C.M.G., First Minister
 Hon. W. S. Fielding, Minister of Finance
 Hon. A. B. Aylesworth, K. C., Minister of Justice
 Hon. Rodolphe Lemieux, K. C., Postmaster General

* * * * *

Conference of 1915

Hon. W. H. Hearst, Premier of Ontario
 Hon. George J. Clarke, Premier of New Brunswick
 Hon. T. C. Norris, Premier of Manitoba
 Hon. J. A. Mathieson, Premier of Prince Edward Island
 Hon. W. Scott, Premier of Saskatchewan
 Hon. E. H. Armstrong, Commission of Works and Mines, Nova Scotia
 Hon. J. L. Decarie, Provincial Secretary, Quebec
 Hon. Ferguson, Acting Minister of Education, Ontario
 Hon. Dr. Thornton, Minister of Education, Manitoba
 Hon. J. A. Calder, Minister of Railways and Highways,
 Saskatchewan.
 Hon. F. A. Turgeon, Provincial Secretary, Saskatchewan
 Hon. C. R. Mitchell, Provincial Treasurer, Alberta
 Prof. F. H. Sexton, Director of Technical Education,
 Nova Scotia

* * * * *

Conference of 1918From Ontario

Hon. Sir Wm. Hearst, K.C.M.G., Premier
 Hon. Howard Ferguson, Minister of Lands, Forests & Mines
 Hon. T. W. McGarry, Provincial Treasurer
 Hon. G. S. Henry, Minister of Agriculture

From Quebec

Hon. Sir Lomer Gouin, K.C.M.G., Premier and Attorney-General
 Hon. L. A. Taschereau, Minister of Public Works and Labor
 Hon. J. E. Caron, Minister of Agriculture
 Hon. Walter Mitchell, Provincial Treasurer and Minister of
 Municipal Affairs

From Nova Scotia

Hon. G. H. Murray, Premier
 Hon. O. T. Daniels, Attorney-General
 Hon. Wm. Chisholm, Minister without Portfolio
 Hon. R. M. MacGregor, Minister without Portfolio
 Hon. R. E. Finn, Minister without Portfolio

From New Brunswick

Hon. W. E. Foster, Premier
 Hon. J. F. Tweeddale, Minister of Agriculture
 Hon. P. J. Venoit, Minister of Public Works
 Hon. C. W. Robinson, Minister without Portfolio

From Manitoba

Hon. T. C. Norris, Premier
 Hon. T. H. Johnson, Attorney-General
 Hon. Edward Brown, Provincial Treasurer

From British Columbia

* Hon. John Oliver, Premier
 Hon. T. D. Pattullo, Minister of Lands

From Prince Edward Island

Hon. A. E. Arsenault, Premier
 Hon. Murdock McKinnon, Provincial Secretary and Minister of Agriculture

From Saskatchewan

Hon. W. M. Martin, Premier
 Hon. W. R. Motherwell, Minister of Agriculture
 Hon. W. E. Knowles, Provincial Secretary
 Hon. C. A. Dunning, Provincial Treasurer

From Alberta

Hon. Chas. Stewart, Premier
 Hon. C. R. Mitchell, Provincial Treasurer
 Hon. J. R. Boyle, Attorney-General

On Behalf of the Dominion Government

Hon. Sir Thomas White, K.C.M.G., Minister of Finance and Acting Prime Minister
 Hon. Sir James Lougheed, K.C.M.G., Minister of Soldiers Civil Re-establishment
 Hon. P. E. Blondin, Postmaster-General
 Hon. Arthur Meighen, K.C., Minister of Interior
 Hon. J. A. Calder, Minister of Immigration and Colonization
 Hon. N. W. Rowell, K. C., President of the Privy Council
 Major-General, the Hon. S. C. Newburn, C.M.G., Minister of Militia and Defence
 Hon. F. B. Cawell, Minister of Public Works
 Hon. G. D. Robertson, Minister of Labour.

Conference of 1927From Ontario

The Hon. G. H. Ferguson, K. C., Premier of Ontario
 Lieut.-Col. The Hon. W. H. Price, K.C., Attorney-General
 The Hon. J. D. Monteith, M.C., Provincial Treasurer

From Quebec

The Hon. L. A. Taschereau, K.C., Premier of Quebec

From Nova Scotia

The Hon. E. N. Rhodes, K.C., Premier of Nova Scotia
 Col. the Hon. G. S. Harrington, Minister of Public Works & Mines
 The Hon. W. L. Hall, K.C., Attorney-General

From New Brunswick

The Hon. J. B. M. Baxter, K. C. Premier of New Brunswick
 The Hon. C. D. Richards, Minister of Lands & Mines
 The Hon. L. P. D. Tilley, K. C., President of Executive Council

From Manitoba

The Hon. John Bracken, B. E. A., Premier of Manitoba
 The Hon. W. J. Major, K. C., Attorney-General
 The Hon. R. A. Hoey, Minister of Agriculture

From British Columbia

The Hon. J. D. Maclean, M. D., Premier of British Columbia
 The Hon. A. M. Manson, K. C., Attorney-General

From Prince Edward Island

The Hon. Albert C. Saunders, K. C., Premier of Prince Edward
 Island
 The Hon. George S. Inman, K. C., Member of Executive Council

From Saskatchewan

The Hon. J. G. Gardiner, Premier of Saskatchewan
 Col. the Hon. J. A. Cross, D. S. O., K. C., Attorney-General
 The Hon. T. C. Davis, K.C., Provincial Secretary

From Alberta

The Hon. J. E. Brownlee, K.C., Premier of Alberta
 The Hon. George Hoadley, Minister of Agriculture
 The Hon. R. G. Reid, Provincial Treasurer

On Behalf of the Dominion Government

The Rt. Hon. W. L. Mackenzie King, C. M.G., Prime Minister
 The Hon. Senator Raoul Dandurand, K. C., Minister of State
 The Hon. Ernest Lapointe, K. C., Minister of Justice
 The Hon. James A. Robb, Minister of Finance
 The Hon. Charles Stewart, Minister of the Interior
 The Hon. W. R. Motherwell, Minister of Agriculture
 The Hon. J. H. King, M.D., Minister of Health and Minister
 of Soldiers' Civil Re-establishment
 The Hon. P. J. A. Cardin, Minister of Marine and Fisheries
 The Hon. Charles A. Dunning, Minister of Railways and Canals
 The Hon. J. C. Elliott, K. C., Minister of Public Works
 The Hon. Lucien Cannon, K. C., Solicitor General
 The Hon. Peter J. Venoit, Postmaster-General
 The Hon. W. D. Euler, Minister of National Revenue
 The Hon. Fernand Rinfret, Secretary of State
 The Hon. James Malcolm, Minister of Trade & Commerce
 The Hon. Robert Forke, Minister of Immigration
 The Hon. Peter Heenan, Minister of Labour
 The Hon. J. L. Ralston, K. C., C. M.G., D. S.O., Minister of
 National Defence

In addition to the above delegates the following Provincial Ministers were present at later sittings of the conference

From Quebec

The Hon. Honore Mercier, LL.B., Minister of Lands and Forests
 The Hon. Jacob Jicol, K.C., LL.M., Provincial Treasurer

From New Brunswick

The Hon. A. Leger, Provincial Secretary Treasurer
 The Hon. D. A. Stewart, Minister of Public Works
 The Hon. Lewis Smith, Minister of Agriculture

The delegation from the Provinces included the following officials and advisors:

From Ontario

Mr. Edward Bayly, K.C., Deputy Attorney-General
 Mr. R. Leighton Foster, Superintendent of Insurance
 Mr. W. J. Smelt, Secretary, Insurance Department
 Mr. T. J. White, K. C., Controller of Revenue
 Mr. George Grant, Private Secretary to the Premier

From Quebec

Mr. R. A. Benoit, Private Secretary to the Premier

From Nova Scotia

Mr. A. S. Barnstead, Deputy Provincial Secretary

From New Brunswick

Mr. Harvey Mitchell, Deputy Minister of Agriculture
 Mr. W. A. Loudon, Auditor General
 Mr. W. K. Tibert, Director of Vocational Education
 Professor W. C. Keirstead, Advisor

From Manitoba

Mr. John Allen, Deputy Attorney-General
 Mr. R. M. Pearson, Deputy Provincial Treasurer

From British Columbia

Mr. E. D. Johnson, Deputy Minister of Finance

From Prince Edward Island

Mr. J. O. C. Campbell, Private Secretary to the Premier

From Saskatchewan

Mr. A. P. Taylor, Deputy Provincial Treasurer
 Mr. Donald Allan, Private Secretary to the Premier

From Alberta

Mr. R. English, Assistant Deputy Minister of Municipal Affairs
 Mr. J. C. Thompson, Provincial Auditor

Messrs. H. E. M. Chisholm and Gustave Lanctot were the
 Official Recorders and Mr. L. C. Moyer, the Conference Secretary

* * * * *

The Conference of 1935From Ontario

The Hon. Mitchell F. Hepburn, Premier
 5 Provincial Cabinet Ministers
 10 Representatives of the provincial Civil Service

From Québec

The Hon. L. A. Taxchereau, Premier
 5 provincial cabinet ministers
 6 representatives of the provincial civil service

From Nova Scotia

The Hon. A. L. Macdonald, Premier
 2 provincial cabinet ministers
 3 representatives of the provincial civil service

From New Brunswick

The Hon. A. Allison Dysart, K.C., Premier
 5 provincial cabinet ministers
 8 representatives of the provincial civil service

From Manitoba

The Hon. John Bracken, Premier
 3 provincial cabinet ministers
 3 representatives of the provincial civil service

From British Columbia

The Hon. T. D. Pattullo, Premier
 4 provincial cabinet ministers
 4 representatives of the provincial civil service

From Prince Edward Island

The Hon. W. M. Lea, Premier
 1 provincial cabinet minister
 1 representative from the provincial civil service

From Alberta

The Hon. William Aberhart, Premier
 4 provincial cabinet ministers
 3 representatives of the provincial civil service

From Saskatchewan

The Hon. W. J. Patterson, Premier
 1 provincial cabinet minister
 2 representatives of the provincial civil service

On behalf of the Dominion Government

Rt. Hon. William L. Mackenzie King, Prime Minister
 Hon. T. A. Crerar, Minister of Mines
 Hon. E. Lapointe, K.C., Minister of Justice
 Hon. P. J. Cardin, K. C., Minister of Public Works
 Hon. C. A. Dunning, Minister of Finance
 Hon. J. C. Elliott, K. C., Postmaster-General
 Hon. W. D. Euler, Minister of Trade & Commerce
 Hon. F. Rinfret, Secretary of State for Canada
 Hon. I. Mackenzie, Minister of National Defence
 Hon. C. G. Power, K. C., Minister of Pensions
 Hon. J. L. Ilsley, Minister of National Revenue
 Hon. N. McL. Rogers, Minister of Fisheries
 Hon. C. D. Howe, Minister of Railways
 Hon. J. G. Gardiner, Minister of Agriculture
 Hon. J. E. Michaud, Minister of Fisheries

The Conference of 1941

A Conference Directory issued by the Dominion Government listed a proposed four Committees with the following representation from the Federal Government:

Finance

Chairman, Finance Minister Ilesley

Secretary, R. B. Bryce, financial investigator, Finance Dept.

Dominion Representatives

Revenue Minister Gibson

Public Works Minister Cardin

Mines Minister Crerar

Navy Minister Macdonald

Air Minister Power

Labour and unemployment

Chairman, Labor Minister McLarty

Secretary, A. MacNamara, Associate Deputy Labor Minister

Dominion Representatives

Pensions Minister MacKenzie

Hon. P. F. Casgrain, Secretary of State

Munitions Minister Howe (absent on war work.)

Special Problems

Chairman, Agriculture Minister Gardiner

Secretary, J. F. MacNeill, Department of Justice

Dominion Representatives

Trade Minister MacKinnon

Fisheries Minister Michaud

Post Master-General Mulock

Constitutional

Chairman, Justice Minister Lapointe

Secretary, Brooke Claxton, Liberal Member of Parliament for
Montreal-St. Lawrence-St. George

Dominion Representatives

Defence Minister Ralston (absent on war work)

Alternate, Navy Minister Macdonald.

Press liaison officers for the conference were G. H. Lash, Director of Public Information and Adjutor Savard of Ottawa, executive assistant to Alex Skelton, conference secretary.

From British Columbia

Premier T. D. Pattullo

Hon. John Hart, Minister of Finance

Hon. G. S. Wismer, K. C., Attorney-General

Hon. G. M. Weir, Provincial Secretary and Minister of Education

Hon. G. S. Pearson, Minister of Labor

Hon. K. C. MacDonald, Minister of Agriculture.

From Alberta

Premier William Aberhart
 Hon. Solon Low, Provincial Treasurer
 Hon. Lucien Maynard, Minister of Municipal Affairs
 Hon. Dr. W. W. Cross, Minister of Health and Relief
 Hon. W. A. Fallow, Minister of Public Works, Railways and
 Telephones
 Hon. N. E. Tanner, Minister of Lands and Mines.

From Manitoba

Premier John Bracken
 Hon. W. J. Major, K. C., Attorney-General
 Hon. S. S. Garson, Provincial Treasurer
 Hon. Eric F. Willis, Minister of Public Works
 Hon. S. J. Farmer, Minister of Labor
 Hon. Sauveur Marcoux, Minister without Portfolio

From New Brunswick

Premier J. B. McNair
 Hon. J. J. Hayes Doone, Provincial Secretary-Treasurer
 Hon. W. S. Anderson, Minister of Public Works
 Hon. F. W. Pirie, Minister of Lands and Mines
 Hon. A. C. Taylor, Minister of Agriculture
 Hon. J. Andre Doucet, Minister of Health and Labour
 Hon. C. H. Blakeny, Minister of Education and of Federal and
 Municipal Affairs
 Hon. J. G. Boucher, Minister without Portfolio and Chairman of
 N. B. Electric Power Commission

From Nova Scotia

Premier A. S. MacMillan
 Hon. J. H. McQuarrie, Attorney-General
 Hon. L. P. Currie, Minister of Mines and Labour
 Hon. F. R. Davis, Minister of Public Health

From Ontario

Premier Mitchell F. Hepburn
 Hon. Harry Nixon, Provincial Secretary
 Hon. T. B. McQuestern, Minister of Highways and Municipal Affairs
 Hon. Gordon Conant, Attorney-General
 Hon. Norman Hipel, Minister of Labor and Welfare
 Hon. Robert Laurier, Minister of Mines
 Hon. Peter Heenan, Minister of Lands and Forests.

From Prince Edward Island

Premier Thane A. Campbell
 Hon. James P. McIntyre, Minister of Public Works
 Hon. Mark R. McGuigan, Minister of Education and Public Welfare

From Quebec

Premier Adelard Godbout

Hon. T. D. Bouchard, Minister of Roads and Public Works

Hon. Arthur Mathewson, Provincial Treasurer

Hon. Wilfrid Girouard, Attorney-General

Hon. P. E. Côté, Minister of Lands and Forests;

Hon. Oscar Drouin, Minister of Trade and Commerce

Hon. Edgar, Rochette, Minister of Labor and Mines

Hon. F. P. Brais, Minister without portfolio

Hon. Hector Perrier, Provincial Secretary

From Saskatchewan

Premier W. J. Patterson

Hon. J. W. Estey, Attorney-General

Hon. R. J. M. Parker, Minister of Municipal Affairs

Hon. E. M. Culliton, Provincial Secretary

Hon. J. G. Taggart, Minister of Agriculture.

APPENDIX II
STATE-FEDERAL GOVERNMENTAL CONFERENCES
IN AUSTRALIA

Australia is governed under a federal system with a rigid constitution. There are somewhat similar points of conflict between the states and the federal government in Australia as between the provinces and the Dominion in Canada.

In both countries there have been attempts at cooperation through conferences of the various governments concerned. The following extracts indicate the general tendencies followed by the conferences in Australia.

* * * * *

An Introduction to Some Problems of Australian Federalism, a study of the relationship between the Australian States and the Commonwealth with special reference to Finance, by Kenneth O. Warner, University of Washington Press, Seattle, 1933.

Conferences between ministerial heads of the respective Australian governments, as well as between departmental officers have been frequently employed. Although there is no legal sanction behind the dictates of these conferences, their resolutions frequently influence subsequent legislation and effect agreements both interstate, and state-Commonwealth.

Exemplifying inter-departmental conferences are: Meetings of heads of fisheries departments to secure uniformity in regulations; conferences between heads of navigation departments in the Commonwealth and States designed to prevent overlapping while preserving the separate existence of Commonwealth and State departments; and conferences of forestry officers to consider matters of mutual interest.

At the conference of commonwealth and state ministers held in May, 1929, consideration was given the question of uniform mining laws and relief in the direction of taxation. The same conference urged a meeting of state authorities to deal with unemployment, to draft a uniform plan for labor bureaus and to propose uniform methods of administration. A complete list of conferences between representatives of states and commonwealth would be lengthy and treat of practically all important functions of government. From the examples cited it may be suggested that the 'conference' occupies a keystone position in arching together the states and commonwealth into a practical and workable constitution which functions in a

manner the designers hardly anticipated. Premiers' conferences as a means of tempering any rigidity appearing in the constitution have been of inestimable value...

Early in the career of the newly organized commonwealth, there appeared an expedient which effectively tempered the rigidity of the inadequate constitution. This expedient--extra-constitutional conferences and agreements between governments and departments of both polities--has undoubtedly ameliorated the embarrassing situation.,

Whether problems discussed in previous pages inevitably flow from federalism; whether they must always be met by agreements between central and local governmental entities, with a tendency toward concentrating power in the federal authority; or whether the only solution of the constitutional enigma resolves itself into a unitary government--are matters to be pondered. In lieu of a reallocation of authority and functions, it is submitted that the inter-departmental and inter-governmental (state and commonwealth) agreement opens the way to a satisfactory modus operandi. A tentative solution of duplication, overlapping conflicts, etc, of state and commonwealth institutional machinery might be effected, if in addition to the legalized practice of inter-governmental conferences and agreements, there were created a Co-ordinating Bureau representing all polities. This Bureau might be invested with power to deliver, after consultation, binding recommendations relative to policies and practices of states and commonwealth in all spheres of governmental action.

In June 1927 a Loan Council was established under the commonwealth to prevent unrestricted and unchecked borrowing by the states. The same work refers to this Council as follows:

The Loan Council consists of ministers representing states and commonwealth; each having a representative on the council appointed by the prime minister of the commonwealth and state premiers, respectively. Members hold office during the pleasure of the appointing officer. Greater authority over the Council's business is vested in the commonwealth representative than in state representatives. For example, a meeting of the council may be convened at any time by the commonwealth member, whereas it requires three state members to convene the body. Furthermore on every question for decision by the council, the commonwealth member has two votes and a casting vote; state members have one vote.

To this council the commonwealth and each state, as occasion demands, submit a program setting forth the amount it desires to raise by loans for each financial year for purposes other than conversion, renewal, or redemption of existing loans or temporary purposes. Similar programs are submitted for existing loans. Each program states the estimated total

amount of the loan expenditures for the year, and the estimated amount of repayments available towards meeting the expenditure. The program also includes revenue deficits to be funded, which amounts are set out separately.

After submission of state and commonwealth loan programs to the council, that body decides whether the total amount can be borrowed at reasonable rates under reasonable conditions, and determines what amounts should be borrowed. Allotment of amounts between commonwealth and states is effected by unanimous decision of the council. In lieu of a unanimous decision, provision is made for settlement of distribution.

* * * * *

The British Empire, A Report on its Structure and Problems, by a study group of Members of the Royal Institute of International Affairs, Oxford University Press, New York, 1937. The Commonwealth of Australia, "Growing Power of the Commonwealth."

"The Loan Council is the principal institution that has been devised to co-ordinate State and Federal policies; conferences between the premiers of the States and the Prime Minister of the Commonwealth are also held from time to time--usually upon the occasion of Loan Council meetings--to examine common problems in matters other than financial."

* * * * *

The Commonwealth of Australia, Report of the Royal Commission on the Constitution together with appendixes and index. H. J. Green, Government Printer, Canberra, 1929. Section XVIII. Cooperation between the Commonwealth and the states.

"The Premiers' Conference. Conferences between the Premiers of the different states have been held in almost every year since the establishment of the Commonwealth. At most of the conferences a Commonwealth Minister has been present, and in recent years the Prime Minister has opened the Conference.

In 1908 the government of New South Wales undertook to provide a secretariat which would act as a link between successive conferences. It was suggested in evidence before the Commission that the Premiers' Conference would be much better qualified to bring about uniformity in the laws of the different States if experts were appointed to advise the conference, and to carry on a work similar to that which is carried on in the United States.

Witnesses who had attended one or more conferences on behalf of their respective States said that the value of these conferences could not be judged from the presence of the same item on successive agenda papers. The conferences may not be successful as instruments for having proposals passed into law, but they

have considered or formulated agreements between one or more States which have been or are being carried into effect. In a great number of instances recommendations or resolutions of a conference have not been carried out, but in many instances suggestions have been made which have brought about legislation on the part of the Commonwealth or one or more of the States,

The conferences have paid most attention to two topics--the financial relations of the States and the Commonwealth, and the problems of industrial relations. The problem of financial relations has been particularly prominent in the conferences immediately preceding the year in which a re-adjustment was to be made, that is, in the conferences immediately preceding the termination of the first ten years of the Commonwealth, and in those immediately before and after the termination of the ten year period prescribed by the Surplus Revenue Act, 1910. The problem of industrial relations was most prominent in industrial legislation, and shortly after the decision of the High Court in 1920 in the Engineers' case, in which it was held that the Federal Arbitration Court could regulate the wages and hours of labour of employees in State industrial undertakings. Other important subjects considered at conferences were those of a uniform railway gauge, health and aviation.

Other conferences have been held between State and Federal Minister, of which one of the most noteworthy was the Treasurers' Conference of May 1914, for the purpose of considering resolutions designed to prevent competition for loans among the States.

At the Conference of Commonwealth and State Ministers held at Canberra in May 1929, it was resolved that the meeting of the Prime Minister and the State Premiers be held annually at some date in May, and that the agenda paper and any accompanying memoranda should be furnished to the states at least one month before the holding of the conference.

On several occasions agreements have been made, principally at Premiers' Conferences, to submit to the State Parliaments proposals to refer subjects of legislation to the Commonwealth Parliament, with the object of bringing about uniformity.

In 1906 a proposal was made at the Premiers' Conference that legislation on the subject of hall-marking should be referred to the Commonwealth by the States.

At the Premiers' Conference in 1909 it was agreed between the Prime Minister of the Commonwealth and the Premiers of the States that the Premiers would bring forward in their respective Parliaments legislation for referring to the Commonwealth Parliament the power of legislating on industrial conditions, so as to bring about uniformity through the Inter-State Commission. In 1912 a bill was prepared for the purpose of vesting in the Commonwealth Parliament wider industrial powers,

but nothing further was done. In 1915, after the writs had been issued for a referendum, the Premiers agreed to submit to the State Parliaments proposals to confer on the Commonwealth Parliament certain industrial powers for the period of the war and one year thereafter. On the withdrawal of the writs only the State of New South Wales passed the necessary act, though bills were introduced in the other States.

A proposal was at one time made to the State governments that they should introduce legislation giving the Commonwealth Parliament power to legislate with respect to intra-state shipping and navigation, but this proposal was not acted on by any of the States.

At the conference of Commonwealth and State Ministers held in May 1929, the Prime Minister referred to the proposal for the transfer by the States to the Commonwealth of power to legislate with respect to the production, distribution, and exhibition of cinematograph films in Australia on the lines recommended by the Federal Royal Commission on Films, ...At the Conference of Commonwealth and State Ministers held in May 1929, it was agreed that the Commonwealth should draft a bill to be submitted to the governments of the States transferring to the Commonwealth Parliament full power, to legislate with respect to aviation and matters incidental to aviation, and the State Governments undertook to consider whether they would submit the bill to their respective Parliaments at an early date.

* * * * *

The Round Table, A Quarterly Review of the Politics of the British Commonwealth, Vol. XXIV. p. 639, "Australia, Problems of Federalism, I. The Constitutional Conference,"

"Judged merely by the decisions taken, the fortnight spent in Melbourne in February by the leaders of the seven governments of Australia in reviewing the working of the constitution was largely a waste of time. No agreement was found possible except on a few minor points, which could have been, and in fact were, disposed of in less than half a day. Nevertheless this was the first opportunity, since the Royal Commission on the Constitution presented its report in 1929, for a comprehensive review of the working of Australian federalism; most of the governments had made thorough preparations for the discussions, and there emerged one clear line of controversy of which more will be heard in Australia in the next ten years. Some fundamental issues were clearly stated.

The conference grew out of a promise by the Prime Minister, made in the hope of averting a secessionist vote at the referendum in Western Australia last year, to support the holding of a convention to discuss the whole federal problem. This particular proposal did not commend itself either to the Western Australian electors or to a Premiers' Conference held later in the year. Instead, it was agreed that Commonwealth and State Ministers should themselves discuss the subject of constitutional revision. A premier's conference could not indeed actually initiate constitutional amendments, any more than a convention could. The responsibility for initiating amendments rests with the Commonwealth Parliament alone.

The financial relations of Commonwealth and States occupied most of the time and thought of the Conference...In view of the other States, the constitutional problem of finance, properly so-called, is the growing financial dominance of the Commonwealth. This controversy disclosed the ultimate issue in Australian constitutional development: are we to have a federal system based on the continued existence of strong States? Except Queensland, all the Governments represented at the Conference answered this question unhesitatingly in the affirmative."

The Round Table, Vol. XXV., p. 339, "The Working of Federalism in Australia,"

"In the crisis of the depression the means for concerted action were found in the Loan Council and in conferences of the State and Federal Governments. The Constitution did not provide the means of obtaining unity of command, which had been found in the defence power during the war. When conferences of Governments had agreed on a plan it was necessary that the plan should be carried out by the separate action of the States and the Commonwealth, subject to party criticism and the possibility of a change of government. Here was demonstrated the weakness of the confederate or cooperative system. Its success depends on agreement on a common policy, or, if this be wanting, on acceptance of decisions once made. In the Australian crisis both of these essentials were lacking. The attitude of the most powerful of the States, where party feeling was most embittered, hampered and delayed the national policy, and, had the Commonwealth not acquired by the Financial Agreement Act, of 1928, a reserve power of coercion, might have frustrated it altogether."

It would appear from the extracts above that Australia has made considerable use of the conference as an instrument of cooperation, perhaps more so than Canada. The Conferences are more frequent than in Canada and a Secretariat has been established. There would seem to be a better public attitude towards the Conferences in Australia than in Canada. The frequent meetings between heads of similar departments in different governments would indicate that possibilities for cooperation are great.

For a full study of the Australian Conference System, the following bibliography may be consulted:

BIBLIOGRAPHY

Encyclopaedia Britannica, volume 2, p. 721, AUSTRALIA, Constitutional Questions.

Australia, Commonwealth of, Conference of Commonwealth and State Minister, Proceedings and decisions of conference held in Adelaide, August 26-28, 1936. Johnston, Commonwealth Government Printer, Canberra, Australia, 1936.

Austral-Asiatic Bulletin, August-September 1940, "The Changing Structure of Federal Government in Australia," by G. L. Wood (deals primarily with new war powers)

Austral-Asiatic Bulletin, December-January, 1940 - 41, "Australia and the Territories," F. W. Eggleston

Bland, F. A. Government in Australia, Tennant, Sydney, 1939 (very valuable bibliography, particularly of government documents.)

Brennan, T. C. Interpreting the constitution; a politico-legal essay, Oxford, 1935.

Canaway, A. P. The Failure of Federalism in Australia, Oxford, London, 1930.

Foreign Affairs, October 1931, "Stalemat and Reconstruction in Australia," E. Shaw

Foreign Affairs, January 1935, "Problems of Federation in Australia," F. R. Beasley.

Living Age, May 1, 1930, "Centralization or more States."

Political Science Quarterly, September 1940, "Bland's Government in Australia," C. Hartley Grattan

Royal Commission on the Constitution, Report, Appendices and Index, Canberra, 1929

Royal Institute of International Affairs, The British Empire, A report on its structure and Problems, Oxford University Press, New York, 1937.

Round Table, A Quarterly Review of the Politics of the British Commonwealth, Vol. XXIV "Australia, Problem of Federalism."
 Vol. XXV. "The Working of Federalism in Australia."

Survey Graphic, August 1938, "Dominion Down Under."

BIBLIOGRAPHYBOOKS

Canadian Public Opinion & the Statute of Westminster, A.B.M. Bell, Thesis, University of Queen's, Sept. 1935. Library of Parliament, Ottawa

The Law of the Canadian Constitution, W. H. Clement, Carswell Co. Toronto, 1913.

Constitutional Issues in Canada, 1900-1931. E. R. McG. Dawson, Oxford University Press, London, 1933.

The Constitution of Canada, W. D. M. Kennedy. Oxford University Press. London 1938.

Canada's Federal System, Lefroy, A.H.F., Carswell Co., Toronto 1916

GOVERNMENT DOCUMENTS

Sessional Paper 68, Session Papers, 1903, Vol XXXVII, No. 13

Sessional Papers, Vol. XLI, No. 12, 1906-07, No. 29A

Sessional Paper 86, 1916, Library of Parliament (unpublished)

Proceedings of the Conference Between the Government of Canada and the Provincial Governments at Ottawa, King's Printer, Nov. 1918

Precis of Discussions, Dominion-Provincial Conference, Nov. 3-19, 1927, King's Printer, Ottawa. 1928.

Report of the Dominion-provincial Conference. 1934. King's Printer, Ottawa.

Dominion-Provincial Conference, 1935. Record of Proceedings, Ottawa 1936, King's Printer, Ottawa.

Dominion-Provincial Conference 1941, Ottawa 1941, King's Printer.

House of Commons Debates.

REPORTS

Report of the Royal Commission on Dominion-Provincial Relations, 1940. Vol I - III. Ottawa, King's Printer.

Difficulties of Divided Jurisdiction, J. A. Corry. 1940. Royal Commission on Dominion-provincial Relations Studies. Ottawa King's Printer.

Dominion-provincial Subsidies & Grants. Royal Commission on Dominion-provincial Relations Studies 1940. W. Eggleston & C.T. Kraft. Ottawa, King's Printer.

Public Assistance & Social Insurance, A. E. Grauer. 1940.
Royal Commission on Dominion-provincial Relations Studies.
King's Printer, Ottawa.

REVIEWS

Canadian Annual Review, Toronto, Canada, 1906
Canadian Annual Review, Toronto, Canada, 1918
Canadian Annual Review, Toronto, Canada, 1927-28
Canadian Annual Review, Toronto, Canada, 1930-31
Canadian Annual Review, Toronto, Canada, 1932
Canadian Annual Review, Toronto, Canada, 1933
Canadian Annual Review, Toronto, Canada, 1934
Canadian Annual Review, Toronto, Canada, 1935-36
Canadian Annual Review, Toronto, Canada, 1940

Yearbook of the Citizens Research Institute of Canada, Toronto, 1941.

Monthly Review. Bank of Nova Scotia, Toronto. December 1940

ARTICLES

Proceedings of the Canadian Political Science Association.
Kingston. 1931. The Compact Theory of Confederation,
Norman McL. Rogers.

* Proceedings of the Canadian Political Science Association,
Kingston, 1934. Provincial Conferences and Better Terms,
J. A. Maxwell.

* Canadian Journal of Economic & Political Science, Vol. 2
p. 374-389. February-November 1936. The Adjustment of
Federal-Provincial Relations. J. A. Maxwell.

Queen's Quarterly. Vol. XXXV, November 1927

American Political Science Review. Vol 31. 91-96, February 1937
Dominion Disallowance of Provincial Legislation in Canada,
H. J. Heneman.