

the present time I understand that none of the elevators in the three Provinces are owned by the railways.

"While difficulty would undoubtedly arise in the event of the railways entering upon the elevator business I think that the danger is no more to be anticipated than would be expected to happen in connection with the action of the Manitoba Government in taking over the telephone system of the Province. It was apparently not considered an objection to the Province taking action that the field could be invaded by a company having a Dominion charter."

"I think that you were quite in agreement with the Premiers that the proposal involves the creation of a monopoly in the hands of the three Governments, and you do not contemplate such a result with disfavor."

(Note.—The farmers did not ask that a monopoly be created, but, barring interference with the loading platform, which they would not consent to, they would look without disfavor upon a monopoly of the Provincial shipping and storage facilities by the local Governments, if no constitutional barriers presented themselves.)

"I gather that it is their view that the Provinces would not have power to establish such a monopoly or to forbid competition. I am of the opinion that the Government has such power and that its exercise would be valid even with respect to Companies created under a Dominion charter. See *Citizen's Insurance Company v. Parsons*, 7 Appeal cases 69. This, however, would not be true of companies with Dominion objects. Thus, Sir John Thompson, when Minister of Justice recommended disallowance of an Act of the Legislature of New Brunswick incorporating a telephone company and conferring upon it certain exclusive rights, interfering with the Dominion Act incorporating the Bell Telephone Company. See *Hodgin's Provincial Legislation*, 749.

"I think the question to which you are bound to address your attention is whether the proposed business can be carried on within the limits of each Province concerned. If it can be, I am of the opinion that no constitutional difficulties exist. The Provinces have authority, under the British North America Act over property and civil right in the Province, over local works and undertakings within the Province, and over all matters of a local nature. The right to expropriate existing elevators, where not belonging to Dominion Corporations having Dominion objects and to establish others, I do not think, as I have already pointed out, can be drawn into question. The powers of the Provinces in respect to the clauses of legislation exclusively assigned to it under the Act are as ample as is that possessed by the Dominion in respect to the subjects of jurisdiction placed in its control and it is no ground for impeaching the validity of legislation passed by the Province, that incidentally it invades the area of powers set apart for Federal action.

"It has, I have no doubt, occurred to you that if the Provinces can constitutionally take over and operate extensive telephone systems, having large property holdings and interests, the authority of the Province to own elevators and to store and handle grain should be equally beyond dispute. While Provincial ownership and control of railways situate within the limits of the province is a right conferred in express terms by the Constitutional Act, authority to engage in the telephone business must be found in the clauses I have above referred to. That the power exists under such words has never admitted of doubt, nor is it likely to be challenged.

"Considerable emphasis is laid by the Premiers upon the control possessed by the Dominion under the British North America Act in respect to trade and commerce, and in some way not defined by the memorandum it is suggested that your proposal is at variance with this provision. These words have frequently come before the courts for examination in cases where it has been sought to show that they place a limit upon the powers of the Province over subjects of legislation vested in them."

"It is recognized by a series of decisions of the Judicial Committee of the Privy Council that they in no wise have that effect. See *Hodge v. The Queen*, 9 Appeal Cases 117, and *Citizens' Insurance Company v. Parsons*, 7 Appeal Cases 96. On the reference to the Judicial Committee in 1895 (189 Appeal Cases 348) as to the respective powers of the Dominion and the Provinces to enact prohibitory legislation, it was held that the authority of the Dominion to regulate trade and commerce did not deprive the Provinces of power to pass such legislation though the result might be to extinguish the trade in liquors."

"It is considered that the words are fiscal and economic in their bearing, and that their object so far as the internal trade of the country is concerned is to secure uniformity in matters of trade regulation and dealings. I am unable to see that they in any way restrict the right

of the Provinces to embark upon the business you propose."

On February 19th, 1909, at Weyburn, the annual convention of the Saskatchewan Grain Growers' Association after an exhaustive discussion almost unanimously passed the following resolution:

"Resolved:

"(1) That our representatives on the Inter-Provincial Council be instructed to urge upon their colleagues from the other Provinces the necessity for continuing the struggle for Government Ownership and Operation of a system of elevators at initial points with unabated vigor in their respective Provinces, after making a dignified rejoinder to the reply of the Premiers; and,

"(2) That immediate steps be taken by our Executive to prepare and widely circulate a pamphlet setting forth the advantages of the proposed system considered as part of a plan for enabling our farmers as a class to secure equitable prices for their grain.

At the close of the convention the Interprovincial Council met and dealt with the reply of the Premiers and at the same time reiterated the demand for Dominion owned and operated terminal and transfer elevators. In this connection they urged upon the Dominion authorities that they should provide terminal facilities on the Pacific coast.

Below is given the rejoinder of the Inter-Provincial Council to the reply of the Premiers:

Text of Rejoinder

"To the Hon. the Premiers of Manitoba, Saskatchewan and Alberta:

"Gentlemen,—The Inter-Provincial Council of Farmers' Associations, having considered your memorandum in reply to our proposals, that the Governments of the respective Provinces, 'provide by purchase or construction, or both, at each shipping point where a considerable quantity of grain is marketed, necessary facilities with up-to-date equipments for weighing, cleaning and loading grain,' we beg to submit in reply:"

"You say: 'We understand that you take the position that nothing further can be hoped for by amendments to existing legislation, in so far as regulating internal elevators is concerned, and that to obtain what your execu-

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