

(D) ROYAL COMMISSION ON DOMINION-PROVINCIAL RELATIONS

1. TEXT OF PRIME MINISTER MACKENZIE KING'S LETTER TO THE PROVINCIAL PREMIERS PROPOSING A DOMINION-PROVINCIAL CONFERENCE IN MID-JANUARY TO DISCUSS THE RECOMMENDATIONS OF THE ROYAL COMMISSION ON DOMINION-PROVINCIAL RELATIONS, DATED NOVEMBER 7, 1940.

My Dear PREMIER:

As you are aware, the report of the Royal Commission on Dominion-Provincial relations was presented to the Government of Canada on May 16, 1940. Although it was not possible to study this report immediately upon its receipt, my colleagues and I have availed ourselves of the opportunity afforded by the adjournment of Parliament on August 7th to give to its recommendations the most careful consideration.

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 of Dominion-Provincial relations and arrangements—a 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 administrative 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.

PROBLEM AGGRAVATED

The war has intensified the problem and emphasized the urgency of its solution. While the cost of unemployment relief has been reduced,