

MEMORANDUM FOR THE HON. MR. ROBB.

Rural credits
 Budget 11.9. Act
 Don - Pass Sublime
 Rural credits
 June or July, 1923

ON THE QUESTION OF EMERGENCY LEGISLATION PENDING
 THE ADOPTION OF A PERMANENT SYSTEM OF RURAL CREDIT.

1. The policy of the Government has been well set that the provinces should look after the development of the institutions which are provincial or sectional, and the Federal authorities should devote their attention and their expenditures to those things which necessarily come under Federal authority.

The Government believe it would not be justified in giving it to those things which are essentially provincial.

VIDE: Mr. Graham on the 30th of April 1923, on further grants to provinces for highways. (Hansard 1923, 23-39.)
2. The same policy had already been well established in discussing the problem of unemployment. On April the 24th 1922, (Hansard, page 1073) the Prime-Minister said: "the problem primarily is one which concerns municipalities, and secondarily, the provinces affected."

"It only becomes a Federal problem when both the municipalities and the provinces have found it impossible to cope with a situation that is beyond their control.

"In respect of unemployment, from three and probably four provinces, the Dominion had received no request for assistance. And the Prime-Minister added: "Does my Honorable friend think that provinces which have made no request for assistance within their boundaries, would be agreeable to being taxed to assist other provinces?"

"I am afraid that if we began to work out on a basis of that kind, we would find it impossible in any way to carry out such a policy. The situation can only be met by cooperation between the provinces and the Federal Government."
3. "On our platform in 1919, we said: "on matters pertaining to industrial and social legislation, an effort should be made to overcome any question of jurisdiction between the Dominion and the provinces by effective cooperation between the several provinces."

"That policy is one which recognizes the obligation of the Federal Government to cooperate with the Provincial Governments.

"This is an entirely different attitude, however, from the Federal Government's admitting that the obligation is upon it to solve this question independently of the provinces.