

Appendix

which are placing a very heavy financial burden upon the individual taxpayer and upon the provincial treasury. The widespread acceptance of these hospitalization plans is ample proof, if proof were needed, of the keen desire on the part of the Canadian people to have some system of prepaid health services established in some of the provinces at least. I believe most of the provinces would welcome an opportunity to discuss a health insurance program and the immediate steps that might be taken toward its implementation.

At the 1945 conference the federal government offered to relieve the provinces of all responsibility for old age pensioners, seventy years of age and over, and in addition the federal government would pay 50 per cent of the cost of providing a pension with a means test to those from sixty-five to sixty-nine inclusive. While we are opposed to the means test feature of this proposal, we are convinced of the necessity of providing a pension for the people in this age group. The plight of those between sixty-five and seventy is more serious now than it was four years ago. As jobs become more scarce, the plight of this particular age group will grow more serious. I am sure that most of the provinces would welcome an opportunity of discussing with you and your ministers the steps that might be taken during the next few years to care for a group, who, I am sure, are giving all of us a good deal of concern.

One of the reasons why the government of Saskatchewan looked favourably upon the federal government's proposals in 1945 was that they made provision for maintaining "full employment and a high level of national income" during times when an economic recession might restrict purchasing power and precipitate unemployment. The danger of such a state of affairs is just as imminent now as it was four years ago and there are signs that would indicate that it is even a greater potential menace than it was in 1945. The government of Saskatchewan believes that nothing but good can come of discussing and preparing plans that would be available to provide large-scale public works projects of socially useful undertakings. We have every reason to believe that the municipalities of our province, both rural and urban, would co-operate wholeheartedly in the preparation of such plans, and, if it becomes necessary, in their implementation.

The matters referred to above are of vital concern, not only to the people of Saskatchewan but to the other provinces of Canada as well. I am sure that the other provincial governments must feel as we do that the time is long overdue when the federal and provincial authorities should seek to find a solution to these and related social and economic problems. Since the dominion government convened the conference in 1945 and the matter of reconvening it was left to their discretion, I think I am not putting it too strongly when I say that the responsibility for immediate and effective action now lies with you and the members of your cabinet.

I trust that you will not think that I am pressing you unduly so soon after a federal election, but I know that you will agree that these and other related problems are of an urgent nature. We are hopeful that the federal government will now be prepared to give the necessary leadership to tackle these problems with vigour and sincerity.

Assuring you of our willingness to attend such a conference, should it be called, and promising you our co-operation in anything that will prove beneficial to the welfare of the people of Saskatchewan,

I remain,

Sincerely yours,

T. C. Douglas

OFFICE OF THE PRIME MINISTER

Canada

Ottawa, August 18, 1949

Hon. T. C. Douglas, M.L.A.,
Premier of Saskatchewan,
Parliament Buildings,
Regina, Saskatchewan.

My dear Premier:

When I returned to Ottawa after a much appreciated holiday, your letter of July 15 was brought to my attention.

I thank you for your congratulations, and I assure you that I agree it is the duty of all of us who believe in democracy, and who desire to see our nation progress, to co-operate with each other to advance the welfare of the people whom we represent.

I am not convinced, however, that the best way for us to attempt to discharge that duty is to come together at once in a full-dress dominion-provincial conference.

In such a conference it would no doubt be felt by some that fiscal matters should be those to be considered first, and even quite recent press dispatches have shown that there are still some who insist that before attempting to go into details "there should be clear recognition of the priority of the provinces as regards direct taxation."

Now, it is quite out of the question, for those who have the responsibility for all matters coming within the classes of subjects enumerated in section 91 of the British North America Act (including national defence), even to consider restricting in any way the legislative authority of the parliament of Canada for "the raising of money by any mode or system of taxation".

That, of course, does not mean that there are not many matters about which there can be and should be wholehearted co-operation between the federal government and the provincial governments.

It has seemed to us that, in view of our past experience, more progress can be made towards bringing about that co-operation by preparatory work consisting of frank discussions with individual provincial administrations about separate concrete questions, and such discussions, which, I hope, will be fruitful and prepare the way for a general conference that would not again become abortive, have already been initiated.

As you know, the existing tax arrangements with the seven provincial governments who have entered into agreements with us extend only to the 31st of March, 1952, and we are committed to the calling of a conference not later than one year before the expiry of those arrangements.

It may be that as a result of the separate discussions that have been initiated, it will be found desirable to call this conference considerably earlier than one year before the date of expiry of the arrangements, and it may be also that it will be found desirable to have, at an earlier date, some general conference with a more restricted agenda, to deal with specific problems about which general agreement might be expected.

That, however, is something about which one cannot be specific until the prospects of being able to accomplish something really useful have been further explored.

Thanking you again for your promise of co-operation, I remain

Yours sincerely,

Louis S. St. Laurent