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Natural resources

PRAIRIE PREMIERS COME TO NEGOTIATE WITH GOVERNMENT

National Resources Conference Will Open on Tuesday at Ottawa

DIFFERENT PROPOSITIONS

Claims of Provinces Both East and West on Dominion Are Regarded as Exacting

(Special to The Gazette.)

Ottawa, November 12.—Another chapter in the story of the negotiations looking to the transfer by the Dominion Government to the governments of the three Prairie Provinces of natural resources within their respective borders is to be opened on Tuesday next. On that day Premiers Greenfield, of Alberta; Dunning, of Saskatchewan, and Bracken, of Manitoba, are to be here and are to confer on the subject with Premier King, Hon. Charles Stewart, Minister of the Interior, and other members of the Federal Ministry. The meeting will constitute the second attempt to reach an agreement on the questions at issue since the King Government took office in Ottawa, and will be the first in which Hon. John Bracken, the new agrarian Prime Minister of Manitoba, has participated. Despatches from the West indicate that the three provincial premiers may each have a different proposition to make to the Dominion Government. They proposed, however, to discuss their plans at Winnipeg before coming east to the Capital.

Premier King told the House of Commons during the session of 1921 that he and his party had a policy with respect to the public domain in the Prairie Provinces and were "prepared to stand by it." He added: "We are prepared to see, if entrusted with the duty of administering the affairs of this country, that our policy is carried out." At the time the only declaration of Liberal policy on the subject was a resolution adopted at the party convention in 1919 on the motion of Hon. Charles Stewart, then Premier of Alberta, and now Dominion Minister of the Interior, and seconded by Premier W. M. Martin, of Saskatchewan, now on the Bench. That resolution declared "that the provinces of Manitoba, Saskatchewan and Alberta should be granted ownership and control of the natural resources within their respective boundaries on terms that are fair and equitable to all the other provinces of the Dominion." In that principle the Conservative party has concurred. Indeed, the Conservatives in the Commons moved that very resolution in 1921, as an amendment to a proposition which Mr. King and some of his followers in the Opposition seemed tempted to support.

AGREEMENT WITH MANITOBA.

Since then the King Government, as a result of a conference held last spring, has entered into a so-called agreement with the province of Manitoba. That agreement was made on the eve of the Manitoba general election, when Hon. T. C. Norris, who headed the Liberal Government then in power in the province, required a declaration on the question for use in the campaign. The agreement may mean much or little, according to the interpretation placed upon it. It declares that in respect of their natural resources the Prairie Provinces "are entitled to be placed in a position of equality with the other provinces of Confederation." It announces that the Dominion of Canada will negotiate an agreement with the Prairie Provinces, such agreement to be subject to ratification by the Dominion Parliament, and the provincial legislatures. It further states that failing agreement on any point between the Dominion and the province of Manitoba, the question at issue shall be referred to arbitration and that the award of the arbitrators shall be subject to ratification by Parliament and the Manitoba Legislature.

The question is, will the King Government's idea of what constitutes "equality with the other provinces of Confederation," coincide with the contentions of the Governments of the Prairies Provinces? If it does so, will the Dominion Government be able to bring about an adjustment "on terms that are fair and equitable to all the other provinces of the Dominion," that is to British Columbia, Ontario, Quebec, Nova Scotia, New Brunswick, and Prince Edward Island? The governments which have held office in the Dominion since 1911 have all favored a transfer of the public domain within the boundaries of the Prairie Provinces to the respective governments of those provinces. Indeed, Conservatives advocated such a course as long ago as 1905, when the Laurier Government insisted on retaining for the Dominion the natural resources in the provinces of Saskatchewan and Alberta, then constituted, and paying to those provinces a subsidy "in lieu of lands." The Laurier Government took much the same position in 1905, as was taken by the Government of Sir John A. Macdonald when the province of Manitoba was constituted in 1870, namely, that possession by the Dominion of the public lands in the new provinces was necessary to ensure the successful carrying out of the immigration policy for which the Dominion was responsible. The people of Saskatchewan and Alberta at their first provincial general elections returned to office governments which approved the Laurier policy. In the years that have since gone by, however, public sentiment in the West has changed, and now favors provincial ownership of natural resources.

FOUND TWO OBSTACLES.

The governments of Sir Robert Borden and Right. Hon. Arthur Meighen, however, found themselves confronted by two obstacles whenever they sought to bring about a transfer of resources to the provinces. In the first place, they found the prairie governments, at least two of which until recently have been Liberal, declining to accept the lands and other resources except on terms which became more onerous and difficult of performance at every renewal of the negotiations. In 1913, Premiers Walter Scott, of Saskatchewan, R. P. Roblin, of Manitoba, and Arthur L. Sifton, of Alberta, proposed to the Borden Government "that the financial terms already arranged between the provinces and the Dominion as compensation for lands (i.e., in lieu of lands) should stand as compensation for lands already alienated for the general benefit of Canada, and that all the lands remaining within the boundaries of the respective provinces with all natural resources included be transferred to the said provinces, the provinces accepting responsibility for administering the same." In 1920 the western premiers withdrew the proposal of 1913, substituting a declaration "that any permanent settlement of the natural resources question must be based upon an ample recognition on the part of the Dominion of the inherent British rights of the provinces to their natural resources as from the date of provincial organization or responsible government; the restoration to full provincial beneficial control of those which remain unalienated, and compensation on a fiduciary basis for those which have been alienated by the Dominion for the purpose of the Dominion.'" They conceded "that in applying this principle due consideration must be given to the sums already paid by the Dominion in lieu of lands and the cost of administering the lands in the interest of the provinces."

Thus, the prairie governments proposed a plan which would involve an accounting in the case of Saskatchewan and Alberta covering transactions in a period of seventeen years and in the case of Manitoba in a period of more than half a century. Right-Hon. Arthur Meighen has contended that it would be impossible to make an accounting of all expenditures by the Dominion arising directly or indirectly from the Dominion's ownership of the public domain, and to determine which were made in the interest of the provinces and which in the interest of Canada as a whole. He and others have also pointed out that the western premiers' scheme might involve a valuation of all lands granted as free homestead to encourage settlement of the country and railway land grants to aid in the provision of transportation facilities.

EASTERN DEMANDS.

The other obstacle which preceding governments have encountered has been the demands of the eastern provinces. The latter provinces in 1918 contended that if the prairie provinces received their natural resources and were allowed also to continue to receive the subsidies granted in lieu of lands, the other six provinces should be paid additional subsidies by the Dominion. The Maritime Provinces, which by reason of their situation could not be granted additional territory, as were Manitoba, Ontario and Quebec in 1912, have been particularly insistent in pressing claims for consideration. The Nova Scotia Legislature as recently as 1920 passed a resolution demanding for the province "compensation for lands reserved for school purposes in Manitoba, Saskatchewan and Alberta, for the cash subsidies paid to the three western provinces in lieu of lands, for the lands granted Ontario and Quebec, and for the unfair terms of public expenditure since Confederation. Premier Murray, of Nova Scotia, too, has promised to press "with the utmost vigor for a readjustment of federal subsidies on such a basis as will give Nova Scotia a fair compensation for the alienation of vast territories in which our province has a proprietary interest."

PREMIER BRACKEN'S STAND.

The three western premiers are returning to Ottawa to continue the negotiations. Premier Bracken, of Manitoba, it is said, will stand upon the proposal made by the prairie governments in 1920, in view particularly of the fact that in his province Premier King's declaration to ex-Premier Norris last spring is interpreted as meaning that the Dominion Government is prepared to compensate Manitoba for all public resources within its boundaries which have been alienated since 1871 and the proceeds of which have gone into the Dominion treasury. Alberta and Saskatchewan, which were constituted in 1905, after a considerable portion of the public domain in that section of the country had been alienated, have been asking compensation even for those resources as well as for resources since disposed of. A recent report says that Premier Greenfield may be willing on behalf of Alberta, to waive payment in future of the subsidy in lieu of lands if the province is compensated for resources alienated for Dominion purposes; Premier Dunning, it has been said, will favor continuation of the subsidy and return of unalienated lands in accordance with the proposal of 1913. In any event, if claims of the provinces, east and west, are admitted, the Dominion will pay dearly for the privilege of handing over lands and other resources which it now possesses to the Prairie Provinces.

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