

APPENDIX V.

The Report of The Royal Commission on Dominion-Provincial Relations.

The Royal Commission on Dominion-Provincial Relations was appointed on Aug. 14, 1937, to re-examine the economic and financial basis of Confederation and the distribution of legislative powers in the light of the economic and social developments of the past seventy years. The Commissioners were instructed more particularly to inquire into the constitutional allocation of revenue sources in relation to the governmental burdens borne by the Dominion and Provincial Governments; to investigate the effects of taxation in relation to constitutional limitations and financial and economic conditions; to examine generally public expenditures and public debts, in order to determine whether the present division of the burdens of government is equitable; and to investigate the question of Dominion subsidies and grants to Provincial Governments. Sittings of inquiry were opened at Winnipeg on Nov. 29, 1937.

The Commissioners appointed were: the Hon. Newton W. Rowell, LL.D., Chief Justice of the Supreme Court of Ontario (Chairman); the Hon. Thibaudeau Rinfret, Justice of the Supreme Court of Canada; John W. Dafoe, LL.D., Winnipeg, Man.; Robert Alexander MacKay, Ph.D., Professor of Government, Dalhousie University, Halifax, N.S.; and Henry Falls Angus, M.A., B.C.L., Professor of Economics, University of British Columbia, Vancouver, B.C. Owing to ill health, the Hon. Thibaudeau Rinfret tendered his resignation as Member of the Commission on Nov. 18, 1937, and Joseph Sirois, LL.D. of the City of Quebec, Notary Public, Professor of Constitutional and Administrative Law at Laval University, was appointed in his place. On Nov. 22, 1938, Dr. Joseph Sirois was appointed Chairman, vice the Hon. Newton Wesley Rowell, LL.D., resigned.

In framing the recommendations it was the aim of the Commission to make proposals which, if implemented, would place jurisdiction over social and governmental services in the hands of the governments most likely to design and administer them, not merely with the greatest economical and technical efficiency, but with regard for the social, cultural, and religious outlook of the various regions of Canada. The financial proposals, which are basic to the other recommendations made, are designed, in the view of the Commission, to enable each province in Canada to have sufficient revenue at its command under all circumstances—in years of adversity as in years of prosperity—to carry out the important functions entrusted to it in other sections of the Report. They are framed to produce this result and at the same time to leave the fiscal powers of the Dominion as wide in fact as they have always been in law, so that the central government may be free to direct the wealth of the nation as the national interest may require.

In the first place the Commission points to three functions of government that can be more equitably and efficiently performed on a national than on a regional or provincial basis.

(1) **The Maintenance of Those Unemployed who are Employable and of their Dependants.**—In this connection the Commission merely confirms conclusions that had been reached by earlier Commissions (such as the National Employment Commission of 1936-38). But so firmly is the Commission convinced that this should be a Federal function that, even if its main recommendations should not be implemented, it has proceeded on the assumption that this function should be a Dominion affair.