

The social security proposals were among the most extensive undertaken by any country. Family allowances had already been put into effect in 1945. The Dominion now proposed in addition, to pay a \$30 a month old-age pension without a means test to everyone 70 years of age or over; to contribute 50 p.c. to provincially administered old-age assistance under a means test for people from 65 to 69; to make grants to the Provincial Governments for general preventive public-health work and for the prevention and cure of tuberculosis, mental diseases, venereal disease, and other specific ills; to contribute approximately 60 p.c. of the cost of provincially administered health insurance schemes; to make low-interest loans for hospital construction; to provide assistance for all unemployed able and willing to work, not covered by unemployment insurance, at the scale of approximately 85 p.c. of the unemployment insurance benefits; to provide and assist in the provision of greatly expanded vocational training and other rehabilitation services to improve employability.

The Dominion-Provincial Conference in August adjourned, after five days' discussion, to consider the proposals and any alternatives or amendments to them. A Co-ordinating Committee under the chairmanship of the Prime Minister of Canada, consisting of three Dominion Ministers and the nine Provincial Premiers, was established and subsequently held three meetings in camera from Nov. 26 to Nov. 30, 1945, from Jan. 28 to Feb. 1, 1946, and on Apr. 25 and 26, 1946. An Economic Committee, consisting largely of technical representatives of the different Governments, was also established and met for three weeks in December, 1945, and January, 1946, for the exchange of information and the development and clarification of the proposals in detail. The Economic Committee under its terms of reference made no collective report, but its members reported to their respective Governments. The Co-ordinating Committee reported back to a full plenary session of the Dominion-Provincial Conference when it reassembled on Apr. 29, 1946.

The Dominion put forward a number of modifications that had been made in its original proposals in the light of discussions in the Co-ordinating Committee.* The most important of these were: an increase in the guaranteed minimum annual subsidy from \$12 per capita to \$15; an optional provision in connection with succession duties which would enable any province that wished to continue levying succession duties subject to an adjustment in its annual subsidy and with provision for offsetting credits to the taxpayer; and an expression of willingness by the Dominion to withdraw from certain tax fields as requested by some of the Provincial Governments in return for an adequate financial equivalent.

By this time submissions in relation to the Dominion proposals had been made by all the Provincial Governments. Most of these submissions accepted the Dominion proposals in principle but contained a number of suggested modifications. The submission of the Government of Ontario suggested an alternative approach and differed in principle on some important issues. After five full days of discussion it was found that too wide a gap existed to enable an agreement to be reached at that time and the Conference adjourned *sine die*. The Dominion advised that it would have to proceed with the formulation of its Budget policies in the light of these circumstances.

The Budget Proposals of June, 1946.—The Budget of June 27, 1946, included proposals for a tax agreement which could be entered into by any individual province. In compliance with the Wartime Tax Agreements, the Dominion under-

* Further discussion of these proposals is given in Chapter XXVIII on Post-War Reconstruction.