In matters of specific concern to the provinces, it is Canadian government policy to assist them in achieving their particular aspirations and goals, as illustrated by the "entente" signed by Quebec and France in the field of education in February 1965. Provincial and federal authorities cooperated in a procedure that enabled Quebec, within the framework of the constitution and national policy, to participate in international arrangements. Once it is determined that what a province wishes to achieve in the field of provincial jurisdiction falls within the framework of Canadian foreign policy, the provinces may discuss arrangements with the authorities of the country concerned. For a formal international agreement the federal signature of treaties and conduct of overall foreign policy must come into operation.

2.2 Distribution of federal and provincial powers

Since the purpose of the BNA Act was to create a federal system of government, important provisions of that document deal with the division of powers between the federal and provincial governments. Each level of government is virtually sovereign with respect to the powers it exercises. While the federal government under the British North America Act has the power to disallow provincial legislation, this power has not been exercised in recent years. Hence, provincial governments are as sovereign as the federal government when acting within its sphere of power.

The primary scheme of the distribution of powers was to grant to the federal government jurisdiction over all subjects of general or national concern while giving to provincial legislatures jurisdiction over all matters of a local nature. Section 91 of the BNA Act lists federal powers. It gives the Parliament of Canada a general power to "make laws for the peace, order and good government of Canada" and gives a list of classes of subjects over which Parliament has exclusive authority which illustrate but do not restrict the general power. The list contains 31 classes of federal powers such as regulation of trade and commerce, defence, currency, raising money by any mode or system of taxation, postal services, navigation and shipping, weights and measures and criminal law. Section 92 assigns to the provinces the power to legislate regarding direct taxation within the province, the management and sale of public lands and timber belonging to the province, municipal institutions, laws relating to property and civil rights and all matters of a merely local or private nature. (For details see Canada Year Book 1973 pp 71-73.) Section 95 of the BNA Act gave the federal government and the provinces concurrent powers over agriculture and immigration but federal law prevails in cases where the laws of both levels of government are in conflict. Similar concurrent powers exist in respect of old age pensions and supplementary benefits, including survivors and disability benefits, but no federal legislation affects the operation of provincial laws in this field if a conflict occurs with provincial legislation.

The drafters of the BNA Act in 1867 probably thought that such a division of powers was so definite and precise that no future difficulties would arise in deciding what subjects were under federal legislative control and what subjects were under provincial legislative control. However, the powers enumerated in Sections 91 and 92 are not mutually exclusive and sometimes overlap. As a result, the interpretation to be placed on the division of powers between the federal and provincial governments has given rise to innumerable legal disputes, parliamentary discussions, royal commission inquiries and federal-provincial conferences. Often, however, the division of powers has remained unclear.

Difficulty in interpreting the division of powers has also arisen as a result of new social, technological and political conditions that were unforeseen at the time of Confederation. Social welfare legislation, such as unemployment insurance, and legislation concerning modern communication facilities were not contemplated by the drafters of the BNA Act. Nevertheless, power to legislate on these