

The Constitutional Conference - February 1969

RECENT DEVELOPMENTS IN FEDERAL-
PROVINCIAL RELATIONS IN THE AREAS OF:

- MEDICARE
- INDIAN AFFAIRS
- HOUSING

1. Medicare

The most recent information available from the Department of National Health and Welfare reveals the possible pattern of provincial entry into Medicare to be as follows:

B.C. & Saskatchewan: Already participating

Manitoba, Nova Scotia & Newfoundland: April 1, 1969

Alberta: Not before 1970

New Brunswick: October 1, 1969, a possible date

Ontario: No announcement likely until after the Constitutional Conference, though officials consider July 1, 1969; January 1, or April 1, 1970 to be serious dates. There was some talk of PSI being discontinued with the introduction of Medicare in Ontario; the fact that there has been a recent increase in premiums suggests a later rather than an imminent entry into the program.

Quebec: no indication

Prince Edward Island: no indication

2. Indian Affairs

A number of provincial governments are under increasing pressure as Indian problems continue to become more acute and more public. Any of the Prairie Provinces, or British Columbia might raise in passing points of concern that might relate to the exercise of federal jurisdictional responsibilities for Indians. A point of argumentation might be that here is an area where the federal government is attempting to negotiate with provinces the transfer of programme responsibility on a piecemeal basis, for instance responsibility for welfare services as is provided for under the Canada Assistance Plan, without fully considering the financial and jurisdictional implications for provinces themselves. British Columbia recently argued that a transfer of jurisdiction ought to be considered in these circumstances, and the Prairie Provinces have been urging comprehensive discussions on the situation of Indians for some time.

If a question arises, it might be recalled that two developments are underway that will make full discussions with the provinces desirable and timely.

First, an internal federal policy review is near completion and Cabinet will be considering the results shortly. Provinces can be assured, as must Indians, that consultations shall precede new federal policy formulation.

Second, there was general agreement at the January Conference of Welfare Ministers that Indian welfare should be discussed between the levels of government in a comprehensive way, and that preferably the discussions should encompass the whole range of services, education, health and welfare, and be subjects for discussion at a Ministerial Federal-Provincial Conference. The Minister of Indian Affairs and Northern Development was present at the Conference for these discussions and agreed to the desirability of this. Such a Conference would be the first held since 1964, and would no doubt provide an important forum for discussions between governments, and Indians, on the range of current and critical problems.

3. Housing

Mr. Hellyer has tabled in the House of Commons the report of his Task Force on Housing and Urban Development. This report and the work of the Task Force have received a great deal of publicity across the country. Many of the recommendations have been debated in the press for some time. The question which now must be looked at carefully is how best to react to provincial comments that will undoubtedly be forthcoming and which may well be at their peak at about the time of the Constitutional Conference.

Sixteen of the forty-seven recommendations contained in the report involve provincial or municipal governments pretty directly. While the report states on page 23

"In setting forth their recommendations, the Members have been conscious of the constraints of Canada's present constitution and have attempted to abide by them".

the recommendations certainly will have the effect of bringing public pressure to bear on provincial governments in matters which are entirely their constitutional concern.

I might mention the following phrases as examples of comments that will help to stimulate provincial reaction.

In speaking of federal loans direct to municipalities, the report says:

"The Task Force would hope that the provinces would not stand in the way of what it considers a major step forward in urban planning and development. It would urge any provincial government which does demand a role in the process to seek the part of expeditor and not agent of delay".

In speaking of provincial controls, the report says:

"The Task Force believes that provinces, for their part, should restrict their involvement in land development to issues which clearly have an impact beyond local boundaries. it is difficult, if not impossible, to find a rational *raison d'être* for provincial regulations establishing a minimum street width in a residential subdivision or provincial decrees that five per cent of the land in any subdivision must be reserved for parks. Matters such as this are strictly of local concern. If they need be regulated at all, it should be at that level".

"Nor can the Task Force understand why it should take as many as 30 separate steps to register a piece of land for development, as it currently does in some provinces. Such bureaucratic nonsense would border on the ludicrous, if it were not for its very real impact on land costs".

It would be unreasonable not to expect lively provincial reactions to these criticisms, however well the points may be justified. And against all of this, there is the background of the constitutional problem and the very strong feelings on the part of Quebec that housing and urban renewal are provincial concerns.

If the Task Force report had come from a Royal Commission or some other group not headed by a Cabinet Minister, it would be easier to pass off the comments. As the Task Force was headed directly by Mr. Hellyer, however, it will be natural for the provincial governments and municipal governments to assume that the recommendations in the report represent definite or likely federal government policy. This sort of misunderstanding could simply add fuel to the existing fires with which we will have to cope at the Constitutional Conference.

It is our understanding that a Memorandum to Cabinet will be coming from Mr. Hellyer in about two weeks time and that document will contain precise recommendations for implementation of certain parts of the report. Presumably, important changes will be recommended and this will take time for consideration.

The decisions to implement the report can only be taken after a good deal of thought has been given to them by the Department of Finance and by various other offices of the government, not to mention, of course, the various Cabinet Committees and the Cabinet itself.

In the circumstances, it would seem to be out of the question to take any policy stand on the recommendations of the report prior to the Constitutional Conference or prior to Mr. Hellyer's proposed meeting with the provincial governments in Toronto. This, in turn, would seem to make it advisable to ensure a clear understanding

on the part of Parliament, the provincial governments and the public that the Task Force report does not in any way constitute federal government policy and that it will take some time for the government to study the recommendations and to take into consideration the comments that it receives from the provincial governments on these recommendations.

This approach would then simplify the answering of any questions that might be raised on this subject during the Constitutional Conference.

February 5, 1969.