



PROVINCIAL RIGHTS AND THE STATE

POWER RELATIONS

What are the Issues?

Provinces realized that they did not have much power at all...

Federal controlled most taxes and encroached upon the Provincial jurisdiction when passing laws

Federal power overused the right of disallowance to **veto Provincial legislation**

Table 1

Provincial Laws Disallowed by the Federal Government (1867 to today)

Number of laws disallowed

(Each period corresponds to a specific party being in power in the federal government)

Period	NFLD	PEI	NS	NB	QUE	ONT	MAN	SASK	ALTA	BC	ALL
1867-73	-	-	2	-	1	2	-	-	-	-	5
1873-78	-	-	3	-	1	1	6	-	-	7	18
1878-91	-	-	1	1	3	5	18	-	-	13	41
1891-96	-	-	-	-	-	-	1	3	-	-	1
1896-1911	-	-	-	-	1	2	3	-	-	21	30
1911-21	-	-	-	-	-	-	-	-	-	1	1
1921-26	-	-	3	-	-	-	-	-	1	1	5
1926-30	-	-	-	-	-	-	-	-	-	-	-
1930-35	-	-	-	-	-	-	-	-	-	-	-
1935-48	-	-	-	-	-	-	-	-	11	-	11
1948 +	-	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	9	1	6	10	28	3	12	43	112

Note: The last provincial law disallowed was entitled *An Act to Prohibit the Sale of Lands to any Enemy Aliens and Hutterites for the Duration of the War*, Alberta 6 Geo. VI, c. 16. It was disallowed in April of 1943.



The federal government has created departments like the Department of Health, which deal with matters reserved for the provinces under the constitution. . . .

It has seized fiscal resources belonging to the provinces. . . .

Some governments of the province of Québec, particularly the government of Maurice Duplessis, have struggled persistently against federal centralization.

Robert Rumilly, 1961

Robert Rumilly, *Le problème national des Canadiens Français* (Montréal: Fides, 1961), 48, 50 and 57. [Translation]

First, while the provinces have assumed more and more responsibilities over the last half-century, they have found it increasingly difficult to raise the money to pay for them. Second, many of the tasks undertaken by the provinces could best be handled on a national¹ level.

. . . the central government should have as much control over the whole financial and economic structure of the country as possible.

John C. Ricker and John T. Saywell, 1963

1. national; federal

John C. Ricker and John T. Saywell, *Nation and Province* (Toronto and Vancouver: Clarke, Irwin & Company, 1967), 75.

Protecting Provincial Rights

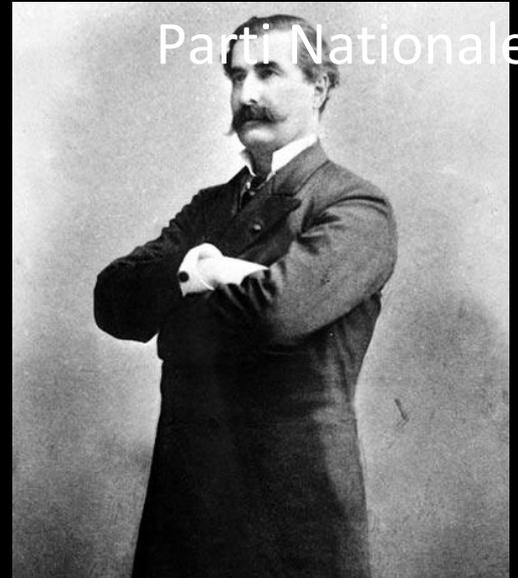
Quebec wants more rights to protect itself!

- Holds first ever **interprovincial conference** in Quebec city (1887)
- 5 Provinces demand more tax money

Federal-Provincial talks become more frequent after this time

End of 19th century Quebec wants more **autonomy** within the federation

Honore
Mercier, First
Premier of
Quebec 1887,
Leader of the
Parti Nationale



Effects of World War 1 (1914-1918)

Federal Government enacted the **War Measures Act**
1914

- **Centralized** (brought back) power to Ottawa

Also adopted other measures to reduce Province's tax revenues

1917 **Conscription Crisis** (more on that later!)

1918 situation returned to normal, but Ottawa kept the taxes introduced to finance the war effort.

The Great Depression

1929-1939

- Thousands of poor and unemployed across the country
- Received **modest assistance** from both Federal and Provincial

How does Quebec respond?

- Subsidizes the colonization of new agricultural regions
- Creates the 1937 Fair Wage Act

Effects of the Great Depression



New **political parties**

- Promoted new ideas, criticized the capitalist system, asked for more state intervention in economy
- Failed to get power because traditional parties took some of their ideas

Federal and Provincial governments have **more intervention** in social and economic affairs

Some new political parties of the time

L'Action Libérale Nationale

Le Bloc Populaire

Parti Social Democratique

- Part of the Co-operative Commonwealth Federation (CCF)

Post-War Period 1945

Ottawa asks Provinces if they can keep power and tax \$ from the war period

- Everyone says NO WAY - Provinces want to **get power back**

Ottawa negotiates so it can intervene in Provincial jurisdictions

- Health, education, social assistance

1940-50s

- Ottawa gives lots of \$\$\$ to provinces
- Duplessis government in Quebec refuses money
- Ottawa starts **equalization program** in 1957 to redistribute wealth among Provinces to offer comparable services

Others who fought for Provincial Autonomy

Oliver Mowat (Premier of
Ontario, 1800s)

- Settled legal disputes with the
Federal government, giving
Provinces more power

Rene Levesque (1976-1985)

- Promoted Sovereignty
Association (1970s - early 80s)



Demands of the Provinces

Provinces wanted Canada to respect the **provincial jurisdiction!**

Changes to the equalization system

- **Equalization payments:** Federal government gives money to provinces to help them run public services
- Payments are different for each Province
- Federal Government also transfers money for Health and Social

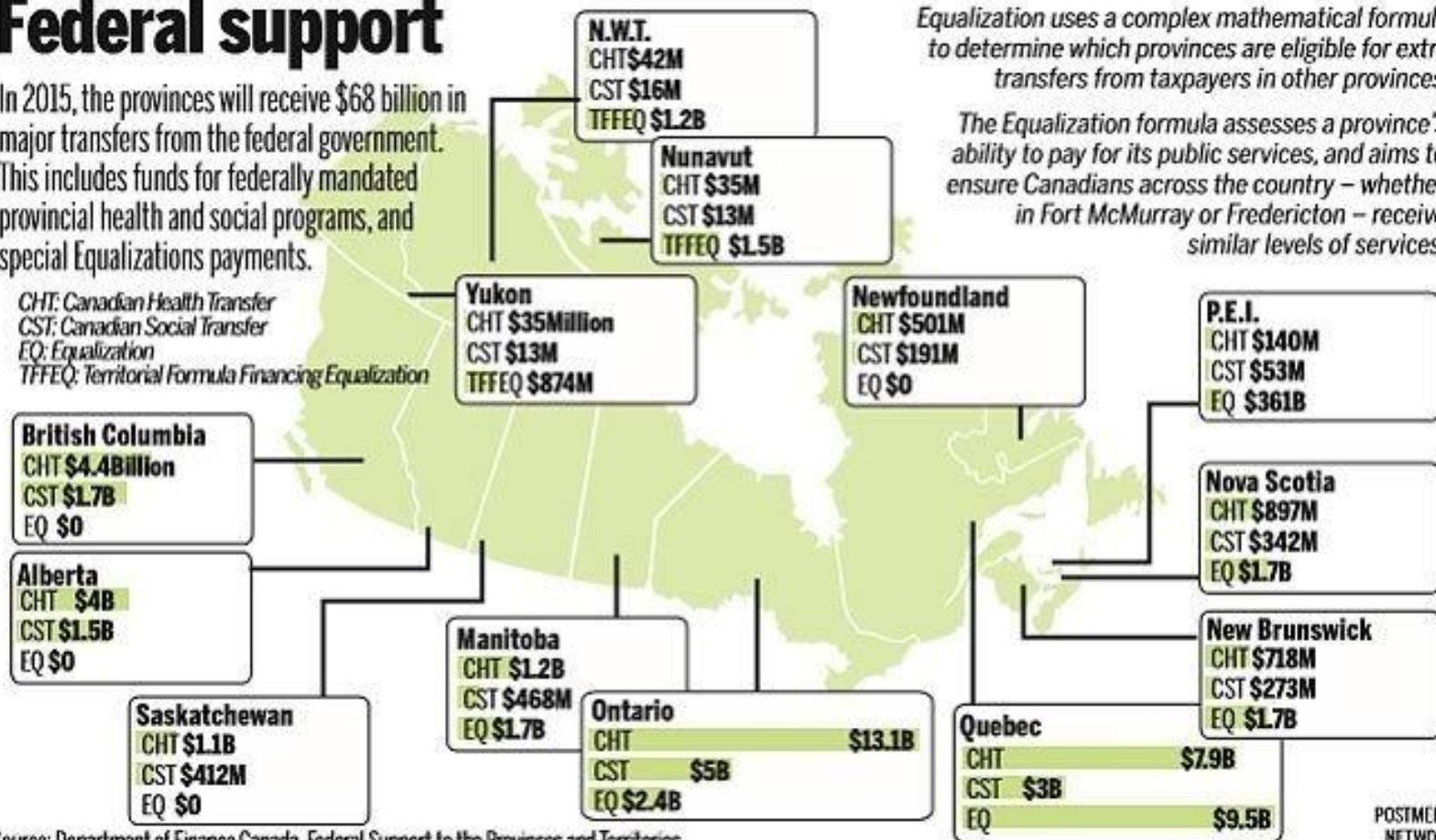
Federal support

In 2015, the provinces will receive \$68 billion in major transfers from the federal government. This includes funds for federally mandated provincial health and social programs, and special Equalizations payments.

CHT: Canadian Health Transfer
CST: Canadian Social Transfer
EQ: Equalization
TFFEQ: Territorial Formula Financing Equalization

Equalization uses a complex mathematical formula to determine which provinces are eligible for extra transfers from taxpayers in other provinces.

The Equalization formula assesses a province's ability to pay for its public services, and aims to ensure Canadians across the country – whether in Fort McMurray or Fredericton – receive similar levels of services.



Source: Department of Finance Canada, Federal Support to the Provinces and Territories

POSTMEDIA
NETWORK

Some opinions on Equalization Payments...

<https://www.youtube.com/watch?v=RK6S7HCEzfM>

How do Provinces influence the State?

Signing agreements

Holding interprovincial conferences

Holding federal-provincial **conferences**

Negotiations

Commissions

- Belanger-Campeau Commission in 1991 (more on this later!)



Victoria Conference, 1971
Focused on Constitutional Changes

What are the effects?

Some **fiscal rights** go to provinces

Federal right of disallowance is restricted

Federal government is decentralized...more power going to the Provinces

Federal government only intervenes in emergency situations

Overlapping of provincial/federal programs

- Roads, health, etc.