

RECENT PUBLICATIONS AND DOCUMENTS

National Security: The Legal Dimensions, study prepared for the McDonald Commission on R.C.M.P. Activities by M.L. Friedland, Ottawa, Minister of Supply and Services, 1980, 219 p.

When a series of revelations concerning activities of the R.C.M.P. in the post October Crisis period occurred in the early part of 1977, the Government's response was to appoint a three-man Royal Commission to inquire into these matters. This move was vehemently criticized at the time as being a ruse to avoid dealing with the allegations of security service misconduct. In the early days of the Commission's investigation these charges appeared to be offered some support by the plodding, deliberate pace of its operations. These criticisms have largely been dispelled by the thoroughness of the Commission's work and the apparent exhaustiveness of its investigation.

In fulfilling its terms of reference, the Commission had three research studies undertaken of which this paper by Professor Friedland of the University of Toronto Faculty of Law is one. It is interesting to note that this study bears a June, 1979 date of completion and yet it was only released to the public in early 1980. Despite the thoroughness of the research, there is no material in the study which would appear to require security clearance. One can only conclude that the reason for the delay between completion and publication of the study must lie elsewhere.

Professor Friedland begins his paper by making the frank and disarming avowal that he did not know what "national security" was when he started the study and still does not know what it is now that he has completed it. As modest and refreshing as this type of admission is on the part of one of Canada's leading criminal law scholars, one would expect him to go on and discuss what "national security" might be and the experience other jurisdictions have had with this concept. Unfortunately there is no such discussion.

This does not, however, detract from the excellence of what Professor Friedland has given us. He presents in synoptic form the present law and alternatives on treason, sedition, sabotage, unlawful assembly, inciting mutiny, police powers of arrest, search and surveillance, mail opening and many other offences. He presents a thorough discussion of the Official Secrets Act, its application and alternatives to it. The security aspects of access to government information are presented. The circumstances in which emergency powers are and ought to be invoked by Parliament are thoroughly canvassed.

Unlike many legal scholars, Professor Friedland has a clear, easy-flowing style of writing and presentation. His paper, unlike many of the writings of his fellow academics, should be read and can be readily understood by more than just the law professoriat. His study appears to be the first of its kind in Canada dealing with this topic in

such a comprehensive manner. It is to be hoped that the general thrust of Professor Friedland's analysis, that we use the criminal law we have more rigorously before we adopt more stringent national security legislation, will have an important effect on the Royal Commission when it prepares its Report.

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Fiscal Position of the Provinces: The 1980 Budgets, by Marie Burrows, The Conference Board of Canada, 1980, 7 p.

This occasional paper (No. 8) is concerned with the relative financial position of Canada's ten provinces as conveyed through their respective 1980 budgets. This comparative assessment is made through an overview of the prevailing provincial budgetary revenue and expenditure balance, followed by a tabular analysis of expenditures by broad service functions in each province. Such an emphasis on the expenditure side appears to have displaced a concurrent appraisal of the fiscal capacity of each province to fund its committed service expenditures.

This paper is offered in four parts, with the first devoted to a comparative study of the current account balance among the provinces. Five provinces, up

from three in Fiscal 1979, have budgeted for deficits this year. Quebec's \$1.7 billion deficit is three times greater than the combined deficits of four provinces: Nova Scotia, Ontario, Manitoba and British Columbia.

It is interesting to note that an even number of provinces is expected to yield surpluses. Of these, Alberta's balance sheet of revenues and operating expenses shows a surplus of \$3.69 billion, a magnitude of surplus which has adequate capacity to offset the combined deficits of the five provinces. Such a magnitude of surplus expected by the Alberta Government (and prior to an oil and gas pricing agreement with Ottawa) clearly portrays a state of imbalance in the fiscal positions of the provinces. One is tempted to propose the addition of sources of revenue to the key indicators of the fiscal position of each province, based on the understanding that the fiscal position of a province is not only indicated by the surplus or deficit position but also by the province's ability to finance its required expenditures.

The second part of this paper offers a comparative analysis of the gross capital expenditures of each province. It indicates that capital investment of the provinces as a whole is expected to be 7.7 percent higher than last year. Within this, Ontario's capital expenditures show virtually no change from last year, while Alberta's capital spending will increase by 25 percent.

It is difficult to be convinced that the distinction between current and capital expenditures is a strong one since most of the provinces do not separate their current from capital expenditures. For this reason, the impact of capital expenditure on the capital market cannot be over-emphasized.

The third part of this paper compares the net cash requirements of each province in 1980. Apart from Alberta, which is expected to have a financial surplus of \$2.3 billion, all other provinces budgeted for a net cash requirement. It is worthwhile to note that Quebec has budgeted for a requirement

which doubles the estimate projected by Ontario. The main reason could be that the Government of Ontario has been in an expenditure restraint program since 1975 and has committed itself to balance the budget in the early 1980s. Net cash requirements among the provinces range from a 22% of total expenditure in Newfoundland to a 33% surplus in Alberta. In this measurement, Ontario outperforms all other provinces except Alberta and British Columbia.

The last part of this paper provides a comparison of spending in education, health, welfare and related services and debt charges. The bulk of provincial spending is on education and health which makes up about 52% of total provincial expenditure. Spending on all social services is the highest in B.C. and Ontario, at 67% and 63% of their respective total expenditures. By contrast, Alberta spends less than half of its total expenditure on these same services.

The magnitude of debt charges indicates a province's previous reliance on borrowing for its expenditure requirement. On the basis of tabular analysis, it appears that the western provinces have significantly lower debt servicing charges as a percentage of total expenditure than that of the central and eastern provinces. However, the growth rate of all provincial debt charges at a further 17 percent this year does invite concern, as suggested by the paper.

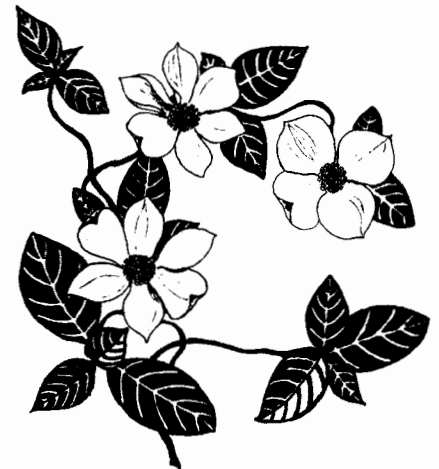
This occasional paper continues to make a contribution to the understanding of public finance in a meaningful way. Not intended to discount the merits of this paper, one hopes that other relevant fiscal data might be brought together in some comparable form. For example, the relative fiscal positions of the provinces could be more explicitly highlighted by including the absolute magnitude of the provincial budgets in one of the comparable units of measure. One is also tempted to suggest that future papers assess the impact of these provincial budgets as a whole on the Canadian economy. Such an evaluation might shed light on the fact

that provincial governments collectively have a total expenditure of over \$56 billion, representing 20 percent of Canada's GNP.

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The British Columbia Parliament Buildings, edited by Martin Segger, Vancouver, Arcon, 1979, 88p.

This recent book on the history of the British Columbia Parliament Buildings in Victoria is of interest to the politician, scholar and tourist alike. Not only does it give to politicians, other parliamentarians and civil servants a sense of the many economic, political and philosophical forces behind the erection of the building in which they work, but it also accurately documents and perceptively analyzes the architec-