

An area in which legislators should be given much more scope is that of committee work. Several participants in the Sixth Seminar made the point that relaxation of party discipline in committee would be a valuable and even creative development. Indeed, it already occurs in several legislatures and participants reported no serious injury to the vital principle of party discipline. Giving committees their head in formulating and investigating public policy would be a vital step in bringing legislatures into line with the demands on government in the closing years of this complex century.

An important point was raised by Mr John Butt of the Newfoundland House of Assembly, and by the journalist Mr W.A. Wilson: the legislator's role is changing in ways largely beyond his control, because of a transformation in the interests and priorities of people in a rapidly-evolving society. As Wilson pointed out, many of today's major public concerns — the environment, the changing position of women, consumerism — developed outside the political process, but very much in the public eye. He might have pointed out, however, that legislatures have had their role in *responding* to these concerns. Legislatures with adequate facilities, and parties prepared to let up on party discipline in certain circumstances might even have a role to play in anticipating what the media can merely chronicle. Wilson's remarks supported those of John Butt: in the complex process by which public concerns are reflected in, or turned into government policy, legislatures today have many more competitors for attention than in previous years. As Butt says "As an input channel... Parliament today is in competition with many other institutions, such as interest groups and parties, the media, and the bureaucracy. Indeed, I certainly feel that these people have as much input into Cabinet-made decisions as private members..." (p. 35)

The contributions to the Seminar of two former party leaders, Mr T.C. Douglas and Mr Robert Stanfield, are a rueful reminder of how much Parliament is diminished by their retirement.

It is not just by legislative performance or electoral victories that politicians are remembered. The fundamental decency of these two men is evident in their contributions to the Seminar; their humanity should stand as a perpetual rebuke to those who would prefer to elevate partisanship above principle or the public good.

Finally, while the Canadian Regional Parliamentary Seminar needs no strained justification for its existence — its value as a forum for informed debate is self-evident — the form in which this latest Seminar is presented to the interested reader is less easy to justify. When verbal proceedings are printed, they become part of a permanent and usually public record. There is no excuse for the disgracefully sloppy standard of proofreading evident in this transcript: even the words of *O Canada* manage to suffer from copy-editing barbarism (p. 19). The readership of this volume may not be large, but an organization such as the Canadian Parliamentary Association should treat those readers with somewhat more respect. The only redeeming factor in the proofreading is that those dozens of errors are sprinkled with admirable impartiality between both official languages.

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IMPROVING ACCOUNTABILITY: CANADIAN PUBLIC ACCOUNTS COMMITTEES AND LEGISLATIVE AUDITORS by John J. Kelly and Hugh R. Hanson, *Canadian Comprehensive Auditing Foundation, 1981, 132 p.*

This is unquestionably one of the most important books on Canadian legislative institutions to appear in some time. The first research report of the non-profit Canadian Comprehensive Auditing Foundation, this study examines in depth one of the key phases of the

'accountability loop' and proposes sixty-nine recommendations to improve the work of legislative Auditors and of PACs.

Authors John Kelly, an Assistant Auditor General of Canada, and Hugh Hanson, a consultant of wide government experience, set out to provide a work which was practical rather than theoretical. By and large they succeeded in producing a report which serves, in their phrase, as "an achievable first step" in rendering Auditors and Public Accounts Committees effective watchdogs of government spending.

The authors reviewed in depth, via both documentary analysis and personal interviews, the workings of all provincial and federal legislative auditors and of PACs in all jurisdictions save the Northwest Territories, which had no PAC, and Quebec, where the relevant committee had not met in more than five years to review the Auditor's report or the Public Accounts. (Predictably, this very fact was highlighted in press accounts of the report.) The resulting wealth of comparative data is well summarized and cogently analysed with a view to recommending the best approach to a wide range of concerns such as size of PACs, provision of research for PACs and the approval of Auditors' budgets.

All of the recommendations suggested in this report had been implemented in some Canadian jurisdiction and thus are of proven practicality and benefit. Kelly and Hanson are none the less sensitive that no one model of a PAC and an Auditor can meet the needs and circumstances of all Canadian jurisdictions and accordingly leave certain questions (substitution of membership for one) to be resolved within the traditions and particularities of individual legislatures.

Yet the report pulls no punches on what are seen as crucial points. The principal conclusion of the study is that "a number of legislatures in Canada have failed to provide themselves with all the means necessary to hold a government fully to account for its handling of public moneys" (p. 103). Nor does it avoid specific recommendations clearly

at variance with established practice. By way of illustration, it proposes that the Chairman of the PAC be a Member of the Opposition, that no Ministers serve on PACs and that legislative Auditors be themselves audited by auditors from outside government; currently at least one or two Canadian jurisdictions operate in precisely the opposite manner.

Although the authors have done solid work in setting the foundations, it is well to recognize the scope of the report and the sorts of topics it refrains from considering. The analysis and the recommendations are largely limited to matters structural: the organization, powers and procedures of PACs and the legislative framework necessary for an independent, effective Auditor. The report does not come to grips with such crucial problems as how to mute partisanship in PACs and how to motivate elected Members to do the tough and typically politically unrewarding work necessary for a strong PAC.

Someone else can confront these questions: Kelly and Hanson have served parliamentarians well in their soundly argued, well written prescription for improving accountability.

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FISCAL FEDERALISM IN CANADA, REPORT OF THE PARLIAMENTARY TASK FORCE ON FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS, Ottawa, Supply and Services Canada, 1981, 230 pages.

On February 5, 1981, in anticipation of renegotiating the five-year fiscal arrangements scheduled to expire at the beginning of 1982, the federal government established a parliamentary task

force with an Order of Reference to: "Examine the programs authorized by the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977, focussing in particular on fiscal equalization, the tax collection agreements, the Canada Assistance Plan, and Established Program Financing; and that this examination take place within the context of the Government's Expenditure Plan as set out in the October 28, 1980 Budget." The task force released its report on August 31, 1981. To understand the nature and scope of the analyses and recommendations contained in the report, it is necessary to review briefly the political and economic context in which the provinces and the federal government are preparing to renegotiate the fiscal arrangements.

In October 1980, the federal Minister of Finance announced the government's intention to make cutbacks of \$1.5 billion in fiscal transfers to the provinces. The government felt that these cutbacks were necessary in view of the increasing budgetary deficits in past years. It should be noted that fiscal transfers to the provinces account for nearly 20 per cent of the federal budget, namely \$19 billion for 1980-81. Moreover, the financing of health insurance, social assistance and post-secondary education programs, calculated on a per capita basis, results in significant fiscal transfers to provinces which, because of oil revenues, accumulate considerable budgetary surpluses. The fiscal dualism between rich and poor provinces and the threat of a long-term structural fiscal imbalance between the revenue capacities and the expenditure responsibilities of the federal government are good reasons for leading the federal government to demand a renegotiation of fiscal agreements involving a restructuring of fiscal transfers to the provinces.

The provincial governments, with the exception of Alberta, British Columbia and Saskatchewan, are all faced with increasing budgetary deficits, and several of them are beginning to cut back drastically on social spending. They hope that fiscal negotiations will result in increases in federal transfers

which have grown at a slower rate than federal and provincial budgets and inflation. In addition, some provinces are demanding that the federal government withdraw from certain programs a move which would be compensated for by a transfer of tax points.

The conclusions of the report are a midway point between the expectations of the federal government and those of the provinces. The Task Force rejects outright the notion of a structural federal deficit and believes that the federal government must maintain fiscal transfers at an adequate level, bearing in mind the welfare of the population, an equitable redistribution of wealth and the respect of provincial autonomy. Conversely, the Task Force rejects the provinces' suggestion that the federal government withdraw from the financing of certain provincial programs, financing which it would like to see accompanied by increased federal monitoring in some cases to ensure the scrupulous respect of national standards, fiscal harmonization and economic co-ordination.

Having thus stated the basic principles, the task force examines successively the five major areas involving fiscal arrangements, namely the health system, post-secondary education, social assistance, equalization, fiscal harmonization and economic co-ordination.

The authors of the report believe that the health system in Canada would be jeopardized by a reduction in the current aggregate level of federal support. Certain provinces could be tempted to seek private funding or to reduce services. Moreover, the Task Force concluded that in the aggregate, federal government funding for health programs is adequate, but recommends that the federal government establish clear national program conditions in order to ensure increased control. Thus, a province which would deviate from the program conditions could be deprived of a share of federal transfers. Furthermore, the Task Force recommends greater harmonization of health services across the country and criticizes the current trends of extra billing and the