

The Program For Equal Opportunity

by P.C. Legere

The Program for Equal Opportunity, now largely implemented, is still the subject of controversy in New Brunswick. The recently announced Liberal election platform contains pledges based on the program, and it seems clear that the government intends to stand or fall on public reaction to its major elements. What is the Program for Equal Opportunity?

The whole thing began in 1962 when the Premier, after two years in office, found himself confronting the familiar problem all provincial premiers must deal with at one time or another. Across Canada municipal expenditures are rising at an unprecedented rate. But municipal revenues, heavily reliant on the stable (and regressive) property tax, have simply been unable to keep pace. Municipalities have reacted by turning to provincial coffers for a greater share of provincial revenues, which have a better relation to provincial economic conditions; the sales tax, gasoline tax, liquor profits and motor vehicle licence fees.

But provincial governments have been hesitant to open the moneybag, and for good reason. Their own financial positions have not been that good, since the demand for provincial government services has been rising as fast as provincial revenues, and in the case of poorer provinces like New Brunswick, sometimes faster. Indeed, this is what most of the federal-provincial tax conferences have been about. Besides, the problem is not one of just filling municipal coffers; it has another dimension.

In the second half of the Twentieth century, provincial governments have accepted new responsibilities for the welfare and employment of their citizens, for the economic growth of the provincial community, and for alleviating the more obvious economic and social inequalities among provincial residents. These added responsibilities have arisen simply because a highly complex and interdependent society cannot function without significant government participation.

But the question immediately occurs: Should these provincial governments, in view of their changing role, deal only with the immediate problem of municipal finance by giving municipalities

higher grants (or new sources of revenue), or should they step back and look at the whole question of provincial-municipal relationships and responsibilities, as well as finance.

Faced with this choice several provincial governments have appointed Royal Commissions and Committees to study the problem, but to date only cautious patch-work decisions have been made.

The story has been different in New Brunswick for many reasons. First and foremost are the very disparities in income levels and standards of living, and especially in the level and quality of such social services as education and welfare. Secondly, one cannot overlook the presence of an Acadian Premier whose chief wish it is to see all New Brunswickers and his native province prosper; to realize this goal he is simply insisting that artificial barriers to the development of human potential be eliminated.

As well, there has been the incredible complexity and inconsistency of municipal government legislation (one town — Woodstock — was governed by some 160 separate statutes), and an absolutely chaotic provincial grant structure (in education alone there were some 18 separate types of grants). So even the best patch-work solutions did not seem feasible.

The 1963 Report of the New Brunswick Royal Commission on Municipal Finance and Taxation is based on the following assumptions: that social and economic progress in the middle of the twentieth century demands that certain social services become provincial responsibilities (these are referred to as education, health, welfare and justice); that every citizen should have an 'equal opportunity' to these services, regardless of his ability to pay; and that provincial financial aid to municipalities should be sufficient to meet the need for local services among communities of similar size, but of different property tax capacity.

To achieve these far reaching objectives, the Report recommended virtually complete reassignment from municipalities to the provincial government of