

The Special Committee to act as a Parliamentary Task Force on Federal-Provincial Fiscal Arrangements has the honour to present its

SECOND REPORT

to the House of Commons

The Order of Reference of February 5, 1981, establishing the Task Force reads as follows:

That the committee 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 Programs 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 held public hearings in Ottawa and in each of the provincial and territorial capitals. An attempt was made to hear representatives of as many associations and institutions as possible within the short time available. Those who were not able to meet members of the Task Force personally were encouraged to submit written briefs; their testimony has been carefully considered along with that received at public and private meetings. Witnesses who appeared, as well as those from whom written briefs were received, are listed in appendices to this report.

In Ottawa, the Minister of Finance, the Minister of National Health and Welfare and the Secretary of State appeared before the Task Force.

The governments of the ten provinces and of Yukon and the Northwest Territories accepted the Task Force's invitation to meet either publicly or privately. Wherever their statements to the Task Force were subsequently made public, they were printed as appendices to the Minutes of Proceedings and Evidence of the hearings held in their region.

Members of the Task Force wish to express their appreciation to all the witnesses who appeared to present their views, either as government representatives, academic experts, individuals representing agencies working in fields related to the programs it examined, or simply as con-

cerned citizens of this country. The important influence these public consultations have had on Task Force views is noted in Chapter I and, indeed, will be evident throughout the report.

The Task Force's reporting deadline of June 26, 1981 was extended in June when it became evident, after the extensive public hearings, that the report could not be concluded by the original date.

The Task Force requested that the staff of the Economic Council of Canada undertake certain analytical studies to aid the Task Force in its work. The chairman of the Council, Dr. David Slater, a director, Dr. Peter Cornell, and one senior staff member, Dr. David Sewell, appeared in public session to report the results of some of this work and to offer their personal views based on other studies undertaken for the Economic Council. The Task Force wishes to express its appreciation to the chairman and staff of the Economic Council of Canada for this effective contribution to the work of a parliamentary committee.

The Task Force was empowered by its Order of Reference to retain the services of professional staff and contracted with the Parliamentary Centre for Foreign Affairs and Foreign Trade to engage advisers with experience in this complex field. The director of the Centre, Peter Dobell, was able to recruit a group of able, knowledgeable and hardworking advisers, and the Task Force wishes to acknowledge their invaluable assistance, and extraordinary dedication. Dr. Rodney Dobell of the University of Victoria headed the group, assisted by Michael Mendelson, formerly of the Ontario Economic Council, and Ronald LeBlanc of the Université de Moncton, along with Bill Haney and Richard Bastien, who were seconded from the federal public service, and Ghislain Blanchard, a student at the University of Ottawa. They were ably assisted by the technical and secretarial staff of the Parliamentary Centre, who cheerfully worked