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John Graham's Contributions to Public Policy

John Graham's contributions to the development of public policy in Canada were substantial, longlasting, and directed towards the greater good with no thought of self-aggrandizement. It was notable that he seldom if ever compromised his concept of what was right. I do not mean to say that he was not willing to admit to a mistake or change his views. He was. But he was more often right all along.

John was not willing to accept halfway solutions, or ones that just made the numbers work, at least for this year. He wanted solutions that would work in the long term, and that could be shown to be right even without numbers. The answers had to be theoretically sound, and fair. Experience shows that his way was the right way.

Dr. Graham's contributions to public policy began with his teaching—and he was a dedicated teacher. Even in first-year economics, he would insist that it was necessary for a social scientist to make value judgments, and to become involved. For him, economics did not exist in a vacuum. It was a way to decipher some of the areas where society could be changed to improve the lot of those who were not as well off. That was the task to which he devoted himself. And by his example he convinced a good many of his students that social sciences existed to be applied, and these students, too, have contributed to the development of public policy. I suspect that this is the contribution that he would most cherish.

John Graham applied his economic learning in many ways. In the context of federal-provincial fiscal relations, he always argued that only full equalization, involving all revenue sources, to the average of the

highest three, not the mean, was the fair way to establish a fully sharing confederation. Eventually, the federal-provincial equalization program came to adopt this ideal (although practical concerns have since moved it away again).

So long as the equalization program was incomplete, he would argue for an equalization element in cost-shared programs. Otherwise, the burden on the poor provinces was heavier than on the rich. Here his focus was primarily on the question of university financing. He argued this for many years, first as a member of the Canadian Association of University Teachers, then in work done for the Council of Ministers of Education, in academic journals, and finally in the Royal Commission Report that bears his name. This was a battle he did not, in the end, win.

His concept of fiscal equity was one that he would apply in many arenas. Most often, it was in the field of local government. As a principal consultant to the Byrne Commission in New Brunswick, he was one of the major architects of the Equal Opportunity Program that substantially reformed municipal institutions and fiscal arrangements in that province. A total restructuring of municipal government resulted, with county governments deleted. A reformed property tax structure was put in place, the taxes assessed and collected by the province, which also took a share of them. As well, there were extensive equalizing grants. John never appreciated the tinkering that went on with this system afterwards.

A major hallmark of the Byrne Commission, which was to mark John's later work as well, was provincial adoption of full responsibility for health, education and welfare. These services, which John called general (others call them people services; his nomenclature is more theoretically correct), could only be provided fairly if financed essentially from the entire resources of the province (and perhaps the country), since all benefited from them. Other, local (wrongly called property) services could vary depending on local priorities since they were essentially of local concern. What was important was that each locality have the same opportunity to make those choices. Hence the need for equalization grants within a province. As well as having a strong impact on major reform in New Brunswick, John's principles have been adopted in large measure in the municipal and education systems in Prince Edward Island.

After Byrne, John Graham became involved in the work of the Newfoundland Royal Commission on Education and Youth, writing the financial chapters for the Commission. That is when I first started to work with him, on some special research for those chapters. It always seemed to me typical of him that my work entered his essentially unchanged, and properly accredited. One never had to worry about him taking credit that belonged to another. It was more difficult to get him to take the credit that was properly his. This work on the Newfoundland educational system also had a lasting impact in that province.

I doubt that either of us figured out what impact the work we did for the Maritime Union study had. But this was an interesting challenge. I had no concept of municipal government in those days, but John had enough confidence in me to pass the project over when he was going on sabbatical. The first stab at it was pretty bad (even he wouldn't finish reading it), but with his help it ended up as a pretty decent piece of work.

The most obvious contribution made by John Graham to the development of public policy in Nova Scotia was as chairman of the Royal Commission on Education, Public Services and Provincial-Municipal Relations, generally known as the Graham Commission. The Commission produced a massive report, which is still influential after seventeen years. The Commission's Report, like most Royal Commission Reports, was not implemented in full. But the Report was amazingly influential, and the direction it imposed on the development of public policy in Nova Scotia was profound.

The recommendations that achieved the greatest notoriety, for a restructuring of the entire province into eleven regional municipalities, have never been implemented, although there was broad public support for an arrangement that would come close to achieving that structure. The government of the day chose to believe that the change was too great for public acceptance. And so today we still have groups like Voluntary Planning calling for a rationalization of the municipal structure.

The eleven regional governments did prove that John was able to adapt his ideas to different circumstances. In the New Brunswick of the sixties, rural municipal government was quite inactive, and the general thrust of land use planning was missing. In the Nova Scotia of the seventies, rural municipal governments were more active, and the scope for land use planning throughout the province was apparent. For him,

then, different solutions were possible for different problems, or at least ones that were seen differently. He was not hidebound.

The recommendations of the Graham Report were, in fact, largely implemented in due course even though their source was never acknowledged. A new unconditional grant formula for municipalities, based on his principles, was adopted, and still exists. In part because it is based on principle, rather than on just making the numbers work, it still works, and has been recognized as a fairly successful equalizing factor. Not long after the formula received its first public introduction, John was magnanimous enough to call and congratulate us on some refinements in implementation that he had not previously considered, primarily the use of dwelling units as a proxy for families rather than simple population counts.

Other significant changes that can trace their roots to the Graham Commission are the establishment of the Nova Scotia Municipal Board, efforts to unify the legislative background such as the Municipal Elections Act, and the Municipal Finance Corporation, which borrows on behalf of municipalities, resulting in significant administrative and interest savings.

There have been major changes in the administration of assessment and in the design of the property tax: most of those chapters of the Report have been implemented. Interestingly, where there were deviations from the Commission's proposal there are now pressures to return to it. The current discussions about business occupancy tax are an example.

In the field of education, the district school boards, now finally entirely elected, approach the Graham recommendation, as do the basic principles of education finance. A block formula now provides funds to the school boards. There is even the equivalent of a provincial property tax in the mandatory municipal contribution. The Commission did not recommend a formula for the so-called family of five to cover non-instructional costs. Interestingly, that has been a significant problem in the funding formula. While the Commission's recommendations for school councils was not followed, that concept is the direct ancestor of the *conseil d'école* recently established as the means of providing parents with participation in the governance of their Charter schools, as mandated by the Supreme Court of Canada.

The Commission did not allow for local supplementary funding of schools, and in fact recommended against it. Again, that problem is

haunting the present school system, has been a cause of difficulty in the past, and stopped the passage of the *Schools Act* this spring. His foresight is once again apparent.

A part of the Royal Commission process that John truly appreciated was its heightening of the public consciousness about present problems, the need for change and for a willingness to accept change. John consciously used the public hearing process to enlighten as well as to learn. I think he also realized that Commission staff could learn, and would eventually reach positions of influence in the government service. At least two of us, out of a small staff, did. And he made sure we were exposed to the same range of learning experiences that the Commissioners went through.

Certainly, John Graham's contributions to the development of public policy in Nova Scotia were not limited to the Commission. He made strenuous efforts to halt the passage of the Municipal Services Act in 1967, one of the more misguided attempts to help municipalities. He once confessed that had he been a little more subtle he might have succeeded. He continued to argue in favor of the Commission's recommendations in the field of restructuring municipal government for some years after the Report was filed, taking the opportunity provided by such events as the Municipal Administrators' conferences.

On the national level, in addition to the years he spent trying to get the basic equalization formula designed correctly and fairly, he would also speak out on other issues relating to the general operation of the economy, and to the correction of the tax system and proper application of government spending. He was a bit of a thorn in the side of those he thought were doing less than the best, and fairest. His work on municipal government was not always restricted to the Atlantic Provinces. He wrote at least one submission on the Smith Report in Ontario, for example.

John Graham's contributions to the development of public policy, nationally and in the Atlantic Provinces, particularly in the field of municipal government, were many, significant, and directed toward a fairer society. He will be missed.