

BRANDON, MAY 24, 2000 –This morning in Brandon, Manitoba, Western Premiers discussed the Western Finance Ministers' Report, the implementation of the Social Union Framework Agreement and progress on the National Children's Agenda.

Premiers who attended the meeting were: Gary Doer of Manitoba, the host and Chair of the meeting; Roy Romanow of Saskatchewan; Ralph Klein of Alberta; Ujjal Dosanjh of British Columbia; Pat Duncan of Yukon; Stephen Kakfwi of Northwest Territories; and, Paul Okalik of Nunavut. Premier Doer welcomed new and returning colleagues to the Western Premiers' Conference and acknowledged the occasion of Nunavut formally joining the Western Premiers' Conference.

WESTERN FINANCE MINISTERS' REPORT

As part of their overall discussions on federal-western provincial/territorial relations, Premiers reviewed, endorsed, and released the 2000 Western Finance Ministers' Report. The key conclusion of the Report was that provinces and territories face significant challenges in meeting the growing costs of providing high quality health care and other social programs. In discussing the Report, Western Premiers reinforced the concerns of their Finance Ministers regarding the effectiveness of the present system of federal-provincial/territorial fiscal arrangements in addressing these current and growing cost pressures.

The Report points out that the problem is most significant with respect to federal funding for social programs through the Canada Health and Social Transfer (CHST). The CHST is the transfer program that provides provinces and territories with federal support for key social programs like health care and post-secondary education. The federal government made significant cuts to the CHST, as much as \$6.2 billion annually, through the mid- to late-1990s.

While these key social programs are the top priorities of Western Canadians, the federal government's cash funding to health care and other social programs through the CHST remains well below its 1994/95 level of \$18.7 billion. Even with the partial restoration of the funding announced in the 1999 federal budget and the one-time funding provided for health in both the 1999 and 2000 federal budgets, the federal share of the total cost of providing key social programs has dropped to 13 percent.

The cuts to CHST are compounded by an overall imbalance in fiscal arrangements. Simply stated, the federal government has significant and growing budgetary surpluses, in part as a result of the CHST cuts, while provinces/territories have significant and growing costs associated with providing high quality health and social programs. This combination has created a problem, which is sometimes called “the vertical fiscal imbalance.”

With the federal government in a strong fiscal position, Premiers believe Ottawa must now respond to the priorities of Western Canadians and address the imbalance. They also stressed that western provinces and territories want the federal government to become a full partner again in financing the top priorities of Western Canadians, like health care.

Western provinces and territories have taken action to ensure that public health care is sustained and they have continued to reform the health care system in order to provide comprehensive, effective and efficient service delivery. Provinces and territories have supported these efforts by making health care their top spending priority. Premiers call on the federal government to join them in sustaining Canada’s health care system by immediately and fully restoring the CHST and by creating a new fiscal balance between the two orders of government. They also stressed that it was absolutely essential that an appropriate escalator be put into place so that federal funding to social programs keeps pace with growing cost pressures.

Premiers asked their Finance Ministers to do further work on the dimensions and causes of the vertical fiscal imbalance and how it affects the ability of both orders of government to respond effectively to Canadians’ highest priorities. This work will look at ways to ensure that both orders of government have the necessary revenues to fulfil their spending responsibilities and meet expenditure pressures. An interim report on the results of this work will be reported to Western Premiers before the Annual Premiers’ Conference. In August, Western Premiers will share this work with their colleagues.

In addition to addressing the current fiscal imbalance, the Western Finance Ministers’ Report also called on the federal government to:

- Ensure adequacy of the Equalization Program by removing the ceiling;
- Accept responsibility for Aboriginal peoples both on and off-reserve;
- Conclude agreements toward the devolution of resource responsibility in the territories to Northern governments;
- Extend corporate tax rate reductions to the natural resource sector;
- Provide adequate and assured support to our Western farmers;

- Work with provinces and territories in developing a new infrastructure program; and
- Inject fairness into the distribution of federal research and development funding.

SOCIAL UNION FRAMEWORK AGREEMENT

Premiers discussed the status of work on implementing the Social Union Framework Agreement. They reaffirmed their commitment to work together, where appropriate, to improve and strengthen social policy and programs.

Western Premiers acknowledged that the work being undertaken by the Federal-Provincial-Territorial Ministerial Council on Social Policy Renewal to engage Aboriginal people in the implementation of the Social Union Framework Agreement wherever such implementation has implications for Aboriginal people. This will help ensure that the pressing needs of Aboriginal people can be more effectively addressed.

Premiers reaffirmed their commitment to an effective Social Union Framework Agreement and expressed concern about how federal-provincial-territorial implementation of the Agreement is proceeding. They urged the federal government to work with provinces and territories to achieve full implementation of the agreement in a timely fashion. Of particular importance is the development of an effective process for dispute avoidance and resolution.

Premiers expressed concern that the federal government's unilateral approach to the problem of homelessness is not consistent with the collaborative spirit of the Agreement and will not effectively meet the needs of homeless people living in Western Canada. They urged the federal government to work more collaboratively with provinces and territories to respond to the needs of these people. Premiers also called on the federal government to acknowledge its special responsibility to address, in an urgent fashion, the lack of adequate and affordable housing for Aboriginal people.

In considering any future joint work, Premiers stressed that all new Canada-wide initiatives should respect the provisions of the Social Union Framework Agreement and be considered within the context of full restoration of the CHST plus an appropriate escalator. They emphasized that federal funding for new social programs also must be adequate, sustainable, and predictable.

NATIONAL CHILDREN'S AGENDA

Premiers acknowledged the work of the Ministerial Council on Social Policy Renewal in concluding the public consultations on the National Children's Agenda and finalizing a process for the release of the *Report on the Public Dialogue*. The Report reflects the insights contributed by community organizations, the five national Aboriginal organizations, individual Canadians, parents, families, and children themselves to the development of a national approach to child well-being. Premiers expressed support for further advancing the goals of the National Children's Agenda.

Premiers reaffirmed the priority that all western provinces and territories place on healthy child development. They acknowledged that education and investment in early childhood development are important determinants of health. They noted the steps that are being taken to address children's issues within each jurisdiction, particularly with respect to early childhood development. Premiers emphasized that any federal-provincial-territorial collaboration on early childhood development must respect the provisions and spirit of the Social Union Framework Agreement.

Premiers discussed the challenge of Fetal Alcohol Syndrome and the consequences of this problem on families and society. Premiers recognized the important work of the Prairie/Northern Partnership on Fetal Alcohol Syndrome (FAS) in developing a single, joint communication and public awareness strategy on FAS for use across Western and Northern Canada. Premiers encouraged Health and Social Services Ministers to increase their efforts to prevent FAS and to raise the visibility of the causes and consequences of this pressing social concern. They agreed that the FAS initiative represents an ideal model for intergovernmental cooperation in other areas.

Premiers discussed the initiatives that have been developed in each province to fight child prostitution. In addition, they noted that they all have a strong interest in the child pornography case presently before the Supreme Court. Premiers noted that they will be following the outcome of the Supreme Court decision closely and emphasized that governments must continue their efforts to counteract child pornography.