

In the long run, the Task Force hopes that real economic development will eliminate much of the need for special employment schemes.

## Fiscal Arrangements for Social Services

The Task Force was not unanimous with respect to continued cost-sharing of social services. Although all members agree that the current operation of the CAP has serious limitations with respect to social services, members differed on what reforms might best ensure that the federal government could no longer be accused of discouraging the development of provincial social services. The majority of members argued for cost-sharing of expanded services as proposed under the Social Services Act (Bill C-57, 1977); some believed that block-funding, as proposed under the Social Services Financing Act (Bill C-55, 1978), was preferable. (Neither bill was passed.) The view was also expressed that the federal government should have no fiscal arrangements statute concerning provincial social services, and should cancel CAP provisions for social services while transferring sufficient tax room to the provinces to enable them to provide services on their own. It should be noted that the total federal fiscal commitment to social services would not be reduced under any of these options.

Members who argued for continued cost-sharing of social services felt that any federal funds not specifically provided to match provincial expenditures could easily be diverted to other areas. This view was shared by many who made presentations to the Task Force. For example, the New Brunswick Advisory Council on the Status of Women argued that "block-funding lacks the accountability that cost-sharing provides. Once federal money reaches provincial coffers, block funding agreements mean that there is no way to ensure that funds intended for, say, day care centres or medical programs, are not diverted to build roads".<sup>7</sup>

The same members also felt that federal attempts to leave more responsibility for social services with the provinces would not necessarily be accepted by the public. As the Hon. Monique Bégin said in her brief to the Task Force, "The participation of the federal government in this area

[social services] is fully accepted, and, indeed, considered, essential".<sup>8</sup> Thus, the public might still hold members of Parliament partially accountable for social services spending despite block-funding or tax transfers.

The case for continued cost-sharing is also supported by the fact that cost-sharing is favoured by most provincial governments, including all the Atlantic provinces, and almost all social agencies and volunteer groups.<sup>9</sup> These services are not generally viewed as 'established' in the sense of having already reached a mature level of development. They have grown and will likely continue to grow at a higher rate than most economic indicators. This position was stated by the Social Planning Council of Winnipeg:

Cost-sharing, however, is the only transfer mechanism which is inherently capable of unequivocal maintenance of standards and necessary growth of immature services, since it allows for orderly expansion at a rate greater than the growth of the economy.<sup>10</sup>

J.E. Green, who is Deputy Minister of Social Services in Prince Edward Island, but who spoke to the Task Force in a personal capacity, advanced a similar argument but added that cost-sharing implies an automatic advocacy role for the federal government.

In my view, it would be particularly inappropriate for the Parliament of Canada to abandon this field at this time, when we have not yet achieved any kind of national understanding of the important role of these services in assisting the poor and disabled to achieve some marginal degree of participation in the social, economic, and cultural life of the Canadian nation. Until some measure of national standards have been achieved, as in the case of hospital and medical insurance, it would seem inopportune for the Parliament of Canada to withdraw this very powerful support from clients of the welfare assistance and social service program.<sup>11</sup>

Finally, those members who favoured continued cost-sharing point to the important federal-provincial liaison and mutual co-operation that are natural results of cost-sharing. This has allowed the federal government to play a substantial role in the development of improved services and their diffusion among the provinces. Both provincial governments and volunteer groups spoke to the advantages of close liaison between governments. This