

for special care or child welfare. While the federal government specifies the conditions for cost sharing, it is the provincial governments which are responsible for the design and delivery of programs to the public.

The budget measure continues to respect the provincial role in delivering and designing assistance and services to people in need. It also continues to assist provinces with the costs of providing that assistance. The budget measure protects the poor, equalization-receiving provinces from any change in the federal contributions. The budget measure applies only to three non-equalization receiving provinces. These three provinces, Ontario, Alberta and British Columbia, are fiscally strong and can therefore cope with a two-year restriction in the federal contribution under the Canada Assistance Plan. In those provinces, the federal government will continue to cost share Canada Assistance Program expenditures within a 5 per cent annual growth rate for each of the next two years, 1990-91 and 1991-92. We are not talking about cut-backs or, as the NDP says, "threatening the welfare of the poor". If a province does not increase expenditures by more than 5 per cent in each of the next two years, the ceiling will have no effect. For increases in expenditure above 5 per cent, the fiscally stronger provinces like Alberta are in a better position at this time to pay such costs.

• (1640)

The federal government's priority is to bring program expenditures in line with our capacity to afford them and to bring our deficit and debt down.

Some provinces are well placed to assist in this goal by absorbing a temporary limit on the growth in the federal contribution to them under the major federal transfers. The Canada Assistance Plan measure does this while still protecting the lower-income provinces.

I would like to conclude with a brief consideration of the effect on my province of Alberta of the proposed changes in Established Programs Financing.

The Established Programs Financing transfer to Alberta will be limited to the same per-person levels as 1989-90 for the next two fiscal years. Growth of transfers to Alberta under the Canada Assistance Plan will be limited by the 5 per cent cap on growth of these payments to non-equalization provinces. Alberta will

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only be affected by this lid on CAP if the province chooses to increase spending under CAP by more than 5 per cent. If it does so, then it should bear the extra costs as it is obviously more able to afford them than the federal government.

Despite these limitations on transfer growth, transfers to Alberta under Established Programs Financing and the Canada Assistance Plan are expected to rise from \$2.3 billion in 1989-90 to \$2.4 billion and \$2.45 billion in 1990-91 and 1991-92 respectively.

Federal support to Alberta is going to continue playing a strong role in the provincial fiscal picture. Major federal transfer programs make up 22 per cent of total Alberta revenues. In summary, on a per capita basis the federal transfers are expected to amount to \$972 for each Alberta resident in 1990-91 and \$979 for the subsequent fiscal year.

**Ms. Lynn Hunter (Saanich—Gulf Islands):** Madam Speaker, I am pleased to add my voice in opposition to the introduction of Bill C-69 and to support the amendments put forth by my hon. colleagues on the committee.

Bill C-69 reduces the Established Programs Financing. It puts a cap on the Canada Assistance Plan. It is a bad deal for Canada and a particularly bad deal for those so-called have provinces, British Columbia, Alberta, and Ontario.

There is an interesting little twist in all of this because the premier of my province, Bill Vander Zalm, invited this very action. In an address to the Union of B.C. Municipalities meeting last September he stated: "If the federal government will cut back on its expenditures then we, similarly, will have to give, not only on equalization payments, but on transfer payments as well".

This is where B.C. is doubly punished, not only by the federal government but also by its own provincial government. Another little quirk in all this, Madam Speaker, is that now the attorney general of that same provincial government has moved to sue the Canadian federal government in the B.C. Court of Appeal. It is challenging this cut on a constitutional basis, reminding the Canadian government of its constitutional responsibilities to transfer on a fifty-fifty basis to provinces the cost of such programs for social policies.