Plan. These transfers have grown from $4 billion in 1984-85 to $5.5 billion in 1990, an average increase of 6.7 per cent. The amendments do not affect provinces which receive federal equalization transfers, as my hon. friend from St. John's was saying earlier. The federal government will therefore continue to share half of all the eligible expenditures incurred in these provinces. For provinces not receiving equalization, the bill provides for a maximum 5 per cent annual growth of Canada Assistance Plan contributions for 1991 and 1992. These provinces, Ontario, Alberta and British Columbia, are in a better fiscal position than the federal government to finance expenditures beyond the 5 per cent rate. Implementation of this measure will provide for resumption of the present regime on April 1, 1992.

The second program affected is the Canadian Exploration Incentive Program, CEIP. The CEIP provides a contribution of 30 per cent of the cost of mineral, oil and gas exploration financed with flow-through share arrangements. It was introduced in 1988 following the sharp decline in the stock markets and the subsequent difficulty of raising capital. It was the only remaining subsidy to business that is demand driven and, hence, open-ended. The government costs in 1989-90 are expected to exceed $160 million. The program was cancelled effective February 19, 1990, but with grant filing provisions in respect of written agreements entered into prior to February 20, 1990.

A third, and perhaps least understood, is the Established Programs Financing. Established Programs Financing is the single largest transfer program to provinces and has grown from $14.5 billion in 1984-85 to almost $20 billion in 1989-90, an average annual increase of 6.3 per cent. Under Established Programs Financing, the federal government provides equal per capita financial assistance to all provinces, through the transfer of tax points and cash payments. Historically, these transfers were undertaken to assist provinces to carry out their responsibilities in respect of health care and post-secondary education. However, since 1977, provinces have been able to use these transfers according to their particular priorities, rather than in the more restrictive fashion required by previous cost-sharing arrangements. The bill will hold the per capita EPF transfer in 1991 and 1992 to its 1989-90 level. However, total EPF transfers will continue to grow with the population increase of each province, or about 1 per cent nationally.

The bill provides for a resumption of EPF growth in 1992-93 at the rate of growth of GNP less three percentage points, which is consistent with the announcement in the April 1989 budget. The growth of the total Established Programs Financing transfer, beginning in 1992-93, will not fall below the rate of inflation. This change to EPF will have exactly the same per capita impact on all provinces and represents less than 1 per cent of provincial revenues in 1990-91. Low-income provinces will continue to benefit from the large and growing equalization transfers which have been exempted from the expenditure control plan.

The final program affected by these restraint measures is the Public Utilities Income Tax Transfer Act. This act provides for the transfer to provinces of 95 per cent of the eligible federal corporate income tax paid by investor-owned electric and gas utilities. Total payments to provinces under the program during 1990-91 and 1991-92 will not exceed the amount paid in 1989-90, that is, in each year. The provinces will share in the control level of the transfer in 1991 and 1992, in proportion to their eligible claims, as determined by the existing rules of the program.

For further clarity, I would like to explain in more detail the Canada Assistance Plan. The Canada Assistance Plan was introduced in 1966, over 24 years ago, to help provinces with the cost of providing social assistance and welfare services to people in need. At the same time, it was recognized that the provinces have jurisdiction in this area. The Canada Assistance Plan cost shares 50 per cent of eligible social assistance and welfare service costs. Under the terms of cost sharing, the provinces make the day-to-day decisions about the design and delivery of their individual programs.

For example, they set benefit levels, they decide who is eligible, all within the legislative and regulatory framework for eligible support and services under the Canada Assistance Plan. About two-thirds of the $5.5 billion that the federal government now transfers to the provinces under the Canada Assistance Plan is for general cash assistance; that is the monthly cash support for basic needs like food, shelter and clothing and other items of assistance. The other third goes to welfare services of various types, including day care, counselling, assessment, rehabilitation and other services such as homes