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CONFIDENTIAL

FEDERAL-PROVINCIAL CONFERENCE

OF

FIRST MINISTERS

Report of the Continuing Committee of Ministers
on the Constitution to First Ministers

EQUALIZATION

Ottawa
September 8-12, 1980

EQUALIZATION

Attached is a tabular presentation of the three drafts on equalization considered by Ministers.

Issues for Consideration by First Ministers

First Ministers are to decide:

- 1) Which of the following drafts:
 - a) the Government of Quebec proposal, which provides that payments are to be made to provincial governments; or
 - b) the Governments of Manitoba and Saskatchewan proposal, which, while incorporating the Quebec proposal, provides more specifically that such payments will ensure that provincial governments have sufficient revenue to provide reasonably comparable levels of public services at a reasonably comparable levels of taxation; or
 - c) the Government of British Columbia proposal supports the principle of providing essential public services of reasonable quality to all Canadians, but without specifying a particular method of achieving this objective;is acceptable to the Conference.
- 2) Whether the draft should contain (section 3) a requirement for the First Ministers to meet every five years.

BEST EFFORTS DRAFT

EQUALIZATION AND REGIONAL DEVELOPMENT

Government of
Quebec Proposal

96(1) Without altering the legislative authority of Parliament or of the legislatures or of the rights of any of them with respect to the exercise of their legislative authority, Parliament and the legislatures, together with the Government of Canada and the Governments of the Provinces, are committed to

- (a) promoting equal opportunities for the well-being of Canadians;
- (b) furthering economic development to reduce disparity in opportunities; and,
- (c) providing essential public services of reasonable quality to all Canadians.

(2) Parliament and the Government of Canada are further committed to the principle of making equalization payments to provincial governments that are unable to provide essential public services of reasonable quality without imposing an undue burden of taxation.

(3) The Prime Minister of Canada and the First Ministers of the Provinces shall review together the questions of equalization and regional development at least once every five years.

Governments of Manitoba and
Saskatchewan Proposal
(including Quebec's Proposal)

96(1) Without altering the legislative authority of Parliament or of the legislatures or of the rights of any of them with respect to the exercise of their legislative authority, Parliament and the legislatures, together with the Government of Canada and the Governments of the Provinces, are committed to

- (a) promoting equal opportunities for the well-being of Canadians;
- (b) furthering economic development to reduce disparity in opportunities; and,
- (c) providing essential public services of reasonable quality to all Canadians.

(2) Parliament and the Government of Canada are further committed to the principle of making equalization payments to ensure that provincial governments have sufficient revenues to provide reasonably comparable levels of public services at reasonably comparable levels of taxation.

(3) The Prime Minister of Canada and the First Ministers of the Provinces shall review together the questions of equalization and regional development at least once every five years.

Government of British
Columbia Proposal

96(1) Without altering the legislative authority or Parliament or of the legislatures or of the rights of any of them with respect to the exercise of their legislative authority, Parliament and the legislatures, together with the Government of Canada and the Governments of the Provinces, are committed to

- (a) promoting equal opportunities for the well-being of Canadians;
- (b) furthering economic development to reduce disparity in opportunities; and,
- (c) providing essential public services of reasonable quality to all Canadians.

(2) Parliament and the Government of Canada are committed to taking such measures as are appropriate to ensure that provinces are able to provide the essential public services referred to in S.96(1) (c) without imposing an undue burden of provincial taxation.

(3) The Prime Minister of Canada and the First Ministers of the Provinces shall review together the question and principles of such measures at least once every five years.