

COMMUNIQUÉ

CONFERENCE OF ATLANTIC PREMIERS

FOR IMMEDIATE RELEASE

Monday, December 4, 2000

The Council of Atlantic Premiers has called on the Prime Minister to hold a First Ministers' meeting on the Equalization Program in January 2001. Meeting by conference call on November 30, Atlantic Premiers focussed their discussions on advancing their strategy for improving the Equalization Program. Premiers Bernard Lord, Beaton Tulk, John Hamm and Pat Binns reported that they are firmly united in their position that the Equalization Program needs to be strengthened to fulfil its Constitutionally-mandated purpose.

The Premiers agreed that a key expression of Canadians' belief in fairness, equality and opportunity for all is the Equalization Program, which is also an expression of our belief in Canada. The Premiers noted that a strong, healthy Canadian federation is one which has the power to ensure quality living standards for all citizens regardless of where they live. The Equalization Program is the Constitutional guarantee that all Canadians have access to reasonably comparable public services at reasonably comparable levels of taxation. Equalization is an essential federal-provincial transfer for the delivery of critical programs such as health care and education in the Atlantic region.

While the Atlantic Premiers recognize the value of the existing Program, they expressed concern that the Equalization Program does not equalize adequately. The fiscal capacity of the Atlantic provinces falls short of the national average even after Equalization. These shortcomings in the Equalization Program must be corrected so that all Canadians are provided with equal and fair public services at reasonably comparable levels of taxation. Premiers also noted that an improved Equalization Program would facilitate a more competitive economy for their region by easing pressure on levels of taxation. The Premiers stated that the specific improvements required include the permanent removal of the ceiling on payments, the adoption of a 10-province standard and a broadening of the revenue coverage.

Atlantic Premiers appreciate the support across the country for strengthening the Equalization Program. At the Annual Premiers' Conference in Winnipeg this past August, Premiers unanimously called on the federal government to strengthen its commitment to the Equalization Program so that the Program meets its Constitutionally-mandated objectives.

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Atlantic Premiers are also encouraged that at the September 2000 First Ministers' Meeting, the Prime Minister committed to reviewing the Equalization Program with the provinces. The Atlantic Premiers reaffirmed their commitment to work collaboratively with the Prime Minister and the other Premiers to achieve improvements in the Equalization Program.

As a result of the conference call, the Premiers sent the Prime Minister a joint letter stressing the importance of a timely and successful conclusion to these deliberations.

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