

Provinces link daycare to health funds [CA] ^[1]

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EXCERPTS

Social services ministers from all 10 provinces said yesterday they will refuse to participate in Ottawa's national plan for daycare and early-childhood education unless the federal government restores \$4.2-billion it has cut from annual health-care transfers.

The provinces' position, set out yesterday after the ministers met in Toronto, could delay indefinitely the much-touted National Children's Agenda, a plan to create a countrywide network of publicly funded daycare, parenting and early-childhood programs.

"I think the priority of all the ministers, indeed all Canadians, is the restoration of health-care funding," said John Baird, Ontario's Minister of Community and Social Services. "If we're able to get that issue resolved, then I think there is good consensus in moving forward with the Children's Agenda."

Mr. Baird's remarks typified those of several ministers who emerged from the meeting with Jane Stewart, federal Minister of Human Resources and Development.

While the negotiations did produce an agreement to have lower-level officials negotiate a framework for the plan, all of the provincial ministers said their consent hinged on the return of money the federal government cut in 1994 from the Canada Health and Social Transfer (CHST).

The CHST represents Ottawa's share of funding for health care, social services and education.

The provinces are also demanding a mechanism that would ensure the amount rises to compensate for growing health-care costs -- a growth rate they say is outpacing inflation as the population grows and the Baby Boom generation enters old age.

To bolster their cause, the provincial premiers released a report in Ottawa yesterday indicating they will need billions to sustain current levels of service.

"There is unanimity about this question," said Pauline Marois, Quebec's Minister of State for Health and Social Services. "We are agreed that the first priority and only priority is to restore the [Canada Health and Social Transfer], with an escalation clause."

Harry Van Mulligen, the minister from Saskatchewan, said: "I think we sent a strong message from all the ministers ... restoration of health-care funding is not just about acute care and things like that. There are lots of areas it covers that touch on children's issues."

Cuts to the payments have been a sticking point in federal-provincial relations ever since the Liberal government revamped its spending formula in 1994 and introduced the Canada Health and Social Transfer. In the process, it cut some \$6-billion from the annual amount provided for those services.

The payment currently stands at \$115.5-billion a year, leaving the provinces a combined shortfall in health-care funding of \$4.2-billion.

There is a growing sense the provinces have backed Ottawa into a corner on the issue, as the Liberals attempt to implement long-promised plans to assist working parents who are desperate for daycare spaces.

Seven years ago, the party swept to an election victory after promising to provide as many as 150,000 daycare spaces under a jointly funded program -- a promise that came to naught after most provinces refused the terms attached to federal money.

Four years later, federal and provincial ministers announced they had devised a "vision paper" for a national program that would be funded in part by Ottawa and overseen by the provinces.

Dubbed the National Children's Agenda, it was billed by Ottawa as a plan that would finally fulfill its election promise. In addition to daycare, the new strategy proposed action in five areas: strengthening the family, providing economic security for children, preparing youngsters to learn, supporting adolescent development and providing supportive communities.

But it too stalled amid plodding negotiations, with the federal and provincial governments blaming each other for the delays.

Then, reports earlier this week indicated Ms. Stewart's department would provide as much as \$500-million to relaunch the process. In

addition to daycare, the money would be directed at pre- and post-natal care and parenting programs, the reports said.

Many of the provinces have received the offer skeptically.

One Alberta official who attended the meeting said, "The feds would be happy if we took \$500-million instead of the \$4.2-billion they cut. We're not going to do that."

Only Jane Pullinger, B.C.'s minister, suggested she was tempted by the cash. She said she is anxious to get a national childcare program up and running, though she too demanded a restoration of the transfers first.

"We're adamant about the CHST," she said. "But we're also very supportive of the National Children's Agenda, and want to get it up and running. This may be a slightly different position than other provinces."

Ms. Stewart strived to put a positive spin on the outcome of the meeting, pointing to the agreement to set up a program for the framework.

The provincial demands, she said, could be resolved at the same time as negotiations went on. She would not say whether she planned to raise the issue in cabinet.

"I think we can walk and chew gum at the same time here," she said. "We've made some significant progress and the provinces have brought a number of issues to the table ... we'll hopefully see some movement [by] the fall."

Martha Friendly, a social policy researcher at the University of Toronto, was disappointed by the provinces' stance, saying they were "holding children hostage for the sake of health-care funding.

"I am not sympathetic to that position at all," she said. "The provinces have a point about the CHST, but they don't have a point when it comes to tying the two things together."

-Reprinted from The National Post

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