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(HANSARD)

Tuesday, February 19, 2002

Speaker: The Honourable Peter Milliken

CONTENTS

(Table of Contents appears at back of this issue.)

HOUSE OF COMMONS

Tuesday, February 19, 2002

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

● (1000)

[*Translation*]

GOVERNMENT RESPONSE TO PETITION

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to one petition.

* * *

● (1005)

COMMITTEES OF THE HOUSE

PUBLIC ACCOUNTS

Mr. John Williams (St. Albert, Canadian Alliance): Mr. Speaker, I have the honour to present, in both official languages, the 14th report of the Standing Committee on Public Accounts on chapter 25 (Canadian Food Inspection Agency: Food Inspection Programs) of the December 2000 Report of the Auditor General of Canada.

I would also like to table the 15th report of the Standing Committee on Public Accounts on chapter 18 of the December 2000 Report of the Auditor General of Canada (Governance of Crown Corporations).

Finally, I am tabling the 16th report of the Standing Committee on Public Accounts on chapter 24 of the December 2000 Report of the Auditor General of Canada (Federal Health and Safety Regulatory Programs).

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to these three reports.

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[*English*]

PETITIONS

MEDICAL RESEARCH

Mr. John Williams (St. Albert, Canadian Alliance): Mr. Speaker, I have the honour to present a petition containing several thousand names of people in St. Albert requesting the Parliament of Canada ban human embryo research and direct the Canadian Institutes of Health Research to support and fund only promising ethical research that does not involve the destruction of human life.

Mr. Norman Doyle (St. John's East, PC/DR): Mr. Speaker, I have a petition from over 300 people in St. John's and the Conception Bay areas who are requesting the Parliament of Canada to ban human embryo research and direct the Canadian Institutes of Health Research to support and fund only promising ethical research that does not involve destruction of human life.

I support the petition because the petitioners make the point that it is—

The Speaker: I think the hon. member knows that his views of the petition are not receivable at this time, perhaps in some other venue. I know he will want to stick with the rules in every respect.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I would ask that all questions be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

REQUEST FOR EMERGENCY DEBATE

THE ENVIRONMENT

The Speaker: The Chair has notice of an emergency debate from the hon. member for Windsor—St. Clair.

Mr. Joe Comartin (Windsor—St. Clair, NDP): Mr. Speaker, we are seeking an emergency debate on the ratification of the Kyoto protocol. As members will recall from question period yesterday, this has become an issue of great concern to Canadians. I would suggest this is as a result of issues and incidents that have arisen in the last week or ten days, in particular the incident between the Prime Minister and the premier of Alberta in Moscow and the proposal put forward by the president of the United States with regard to its program dealing with climate change and global warming.

As I mentioned, questions were asked in the House yesterday. Great concerns have been raised on both sides of this issue in the last several days because of the uncertainty as to whether Canada will proceed with the signing of the accord. On one side, people involved in the fossil fuel industry are gravely concerned about what it may cost them. On the other side, the industrial sectors, including the farming industry, the insurance industry, the tourism industry, and the list goes on, are concerned about the economical impact of global change on them.

In addition there is great concern for the health implications if we do not proceed with the Kyoto agreement and the impact it will have. I say that in relevance to my riding where we have a very serious health situation which has been impacted to some significant degree by transboundary pollution. This pollution would be alleviated quite significantly if we proceeded with the Kyoto agreement and the reduction of those emissions.

I believe there are grounds for this to be an emergency debate because there had been a good deal of debate on this issue which appeared to be inevitably leading us to signing the Kyoto agreement. However in the last several days a number of incidents have occurred which have changed that. The emergency debate would allow all parliamentarians to debate the issues and bring forward information as to where Canada could alleviate a great deal of the concern in the country.

● (1010)

The Speaker: The Chair has carefully listened to the arguments advanced by the hon. member for Windsor—St. Clair. While he has raised a very important issue, and I do not underestimate its importance, I am not sure he has met the exigencies of the standing order in respect of urgency in this case. Accordingly, I decline to order an emergency debate on the issue.

I note in passing that after today there will be five supply days remaining in the period to March 26. I believe the hon. member's party will have the next supply day and I am sure he will be pressing his case with his colleagues for inclusion of the subject matter in the debate on that occasion.

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

ALLOTTED DAY—HEALTH CARE

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ) moved:

That this House condemn the government for withdrawing from health-care funding, for no longer shouldering more than 14% of the costs of health care, and for attempting to invade provincial areas of jurisdiction by using the preliminary report by the Romanow Commission to impose its own vision of health care.

He said: Mr. Speaker, I will begin by indicating that I am going to be sharing my time, with leave of the House, with the hon. member for Charlesbourg—Jacques-Cartier.

With our characteristic sense of responsibility as the opposition, we are calling upon the government, and all parties in this House, to support this motion. It is presented by the Bloc Quebecois, but could equally be from all the provincial premiers, who have been discussing health at every annual meeting of first ministers for the past three years.

Each of them, regardless of political stripe—whether Conservative Bernard Lord of New Brunswick, or the New Democrats in western Canada—indeed all premiers are calling for the righting of an extremely worrisome situation for all those who believe in the viability of a public health system. What they find so disconcerting is the federal government's backing away from its commitments.

The members of the House of Commons in the 1960s, following the Pearson government's report that was published under the guidance of Ms. LaMarsh, laid the foundations of a public health system. If we checked, we would see that, at that time, the lawmakers' intention was to set up programs with costs that were shared equally, 50-50 by the federal government and the provinces that adhered.

The Bloc Quebecois motion is extremely clear. Right now, the federal government's contribution is 14 cents per dollar. This goes to show just how much the legacy of Lester B. Pearson is being betrayed, the legacy of those who believe in state intervention—and I recall, for example, that in 1968, the Liberal slogan was "a just society"—of those who believe in a just society, we must ensure that all have access to a viable, public, universal, integrated health care system. This just goes to show the paradox in which we find ourselves.

The federal government is calling on the provinces to fully comply with the Canada Health Act, with its five principles, yet the government itself, when it comes to funding and the commitments made in the early 1960s, is breaking both its word and the commitment it made.

It must be said loud and clear. We are betting today that, in the end, there will be a pledge of common sense, and that all parliamentarians, regardless of their political stripes, will support the Bloc Quebecois motion.

Let us make a little history today. I remind those listening that in 2000, all of the premiers called for a study. They asked their public servants from their ministries of finance and health to look into the major trends that would develop in the health care system in the coming years. They discovered three things.

First, if all of the provinces wanted to provide the exact same services that were available the previous year, they would have to add 5% more to the health and social services budgets. We know that the health care system will grow at a rate of 5% per year over the next ten years, at least.

In the study that was commissioned—not by the Bloc Quebecois or the Parti Quebecois; this is not a debate on the national issue, nor a partisan discussion—all public officials from each of the health and finance ministries came to the conclusion that health costs will increase by 5% in the coming years. A breakdown of this 5% can be made. We know that population growth accounts for 4.7% of this 5%, the consumer price index for 1%, while 1% is due to various factors, including the procurement of medical technologies and the changes that are being felt at the infrastructure level.

● (1015)

This is so worrisome that, with regard to this issue, the premiers commissioned a study entitled "Understanding Canada's Health Care Costs". Let me quote from this study, which says:

> Operating health expenditures for Canada are currently at close to $54 billion. Even with moderate changes in the pattern of service delivery—

So, if we do not change everything, if we do not revolutionize service delivery, even with moderate changes in the pattern of service delivery, it is anticipated that fundamental factors such as growth, the aging population, inflation and the cost of existing programs should trigger an increase of about 5% in health costs. This is the most important aspect of the study commissioned by the ten premiers.

This means that the expenditures of the provinces and territories regarding health costs will total $67 billion within the next five years, and $85 billion within the next ten years. Ten years is a very short period of time. When it comes to planning for an issue as important as the health system, administrators do it at least on a three if not a five year basis.

Members can imagine the situation the provinces are in. In Quebec, for example, $17 billion is spent on health care. Our province is not the one that spends the most and not the one that spends the least. It is in the fair median. But without some support, without some input into the re-establishment of the Canada social transfer, the provinces will never be able to meet this growth challenge, which has been diagnosed by each of the provinces.

Last night, when I was on the train, I was reading the submission made — the member for Joliette will be pleased about this —by the Centrale des syndicats du Québec. This is not the CSN, but I know about the unassailable co-operation that has always been prevailing among labour movements. Here is what was in the submission from the Centrale des syndicats du Québec, that is the former Centrale de l'enseignement, if I am not mistaken, which changed its name a year or two ago.

I think this is quite relevant. Here is the quotation:

> At their August meeting, the premiers agreed to ask the federal government to re-establish, by 2004-05—therefore in two fiscal years—its contribution to health, education and social program funding, through the Canada health and social transfer, at the same level as iin 1994-95, when the Liberals came into office, and this government was funding 18% of the costs, and also to implement an appropriate indexing mechanism.

We know that all the premiers said "The federal government must at least contribute 18% of costs through the health transfer". At this time, this contribution is 14%. This would mean that it should be contributing $28.9 billion, instead of $21 billion.

I have enough time to deal briefly with the Romanow report. This report is a huge hoax. As I am speaking, I am ready to table, with the House's consent, a research report which I have obtained and which shows that eight provinces out of ten have already had working groups on this issue. In Quebec, it was the Clair commission. There have been commissions in eight provinces and, as a result of their reports, the situation is well known. The solutions for remedying the situation with regard to the delivery of health programs that would be appropriate for the needs of the population are well known. It is the funding that is lacking.

Who asked for the Romanow report? Could anyone in the House name a provincial premier, a health minister or a finance minister who asked for an exercise like the Romanow report?

Last week, I was reading Mr. Romanow's interim report. Four possible solutions were outlined. It was suggested that public investment should be increased. An adjustment of responsibilities was also suggested. The report also talked about increased privatization and a reorganization of service delivery.

To conclude, I want to say that, on this side of the House, we believe, as all ten premiers have asked, that the option the Romanow commission should recommend is for the federal government to restore its contributions to the health system to the level of those that existed in 1993-1994 and to the level of the commitments made in the 1960s.

That is essentially was our motion asks for, and we do hope that every member in the House will vote for the motion.

● (1020)

Mr. Richard Marceau (Charlesbourg—Jacques-Cartier, BQ): Mr. Speaker, it is always with some apprehension that a member takes the floor after a speech by the very eloquent member for Hochelaga—Maisonneuve. With his flair for striking phrases, his passion and rhetorical talent, he is somewhat intimidating for some of us. I will nonetheless try to face the music and share with you and colleagues in the House a few remarks on the important issue before us.

This debate today is not new by any means. By way of background, I would like to explain briefly the overall evolution of Canadian federalism. I may be anticipating my conclusion, but this evolution has been such that Quebecers in particular are now faced with a choice between full control over their own destiny or a Canada that is increasingly centralized, and a leveler of all differences.

As far back as 1942, Ottawa used the war effort as an excuse to impose tax agreements on the provinces. Through these agreements, Quebec, then under the prime ministership of Adélard Godbout, transferred tax points in good faith and stopped temporarily taxing the personal and corporate income in exchange for an annual subsidy.

From 1941 to 1947, Ottawa exercised virtually total control over taxation. Worse yet, when the war ended in 1945, Ottawa refused to hand back to the provinces the powers of taxation they had given it. This spectacular takeover of crucial, significant and vital sources of tax revenue was the beginning of a long centralization campaign by the federal government, a campaign that is still going on.

By exercising the financial powers of the provinces, Ottawa was able to collect a huge portion of the tax dollars and to take upon itself to interfere in areas of jurisdiction where it did not belong. It used its spending power to define Canada-wide standards that totally ignore the division of powers as set out in the 1867 Constitution.

Several successive Quebec governments of all political stripes, from Maurice Duplessis of the Union nationale to the Liberal Party of Quebec and the Parti Québécois, are responsible for setting up a counter-attack to stop Ottawa from interfering in areas where it did not belong.

In 1966, the Canada Health Act was passed, followed soon after by the Health Insurance Act in Quebec. And that is also when it was decided that Ottawa would pay 50% of the health care costs and the provinces, including Quebec, would pay the other 50%.

Since then, the situation has taken a bad turn. Ottawa is withdrawing from the transfer of payments to the provinces through the Canada health and social transfer. This is absolutely unacceptable. The federal health spending share, initially at 50%, has dropped to 14%. Those listening will no doubt agree 36% represents a significant reduction.

Members across the way tell us "Look at the latest investments made by Ottawa; we have put money back in the health system and we are doing what we have to". Finally, what they are saying is that all is well in the best of possible worlds.

Let us have a look at that. It is true that in the 1999-2000 budget, the federal government put $3.5 billion in a trust fund, the share of Quebec being $840 million. In the 2000-01 budget, the federal government did create a new trust fund of $2.5 billion and in September 2000, another trust fund of $1 billion for medical supplies.

● (1025)

While that money is useful for the Quebec health system, let us see what it truly represents. As a trade-off, the federal government insisted that five requirements be met. First, some funds are to be used for a specific purpose; this is what we call the "Ottawa knows best" attitude. Second, transfers made to provinces through these trust funds are a one-time payment, which means that there is no possibility of long term planning. As my colleague from Hochelaga —Maisonneuve mentioned, God knows that in the area of health there is a need to plan for the long term rather than to rely on band aid solutions. Third, once a province has spent all its share, it cannot get new funding from the federal government to maintain its spending level. Fourth, access to such funding to purchase supplies does not guarantee that Quebec will have the resources necessary to hire the personnel required to use these supplies. Fifth, as I said earlier, the creation of such funds makes budgetary planning more difficult.

This partial, incomplete, insufficient reinvestment by the federal government through trusts does not compensate at all the fiscal withdrawal practised by the federal government. I said that, from 1970 to 2000, Ottawa's share of expenditures decreased from 50% to 14%. Since 1994 only, the federal government's share of health expenditures decreased by 9 percentage points. Nine per cent in less than 10 years, that is completely unacceptable.

We are now getting into the political framework of all this. Only the Minister of Intergovernmental Affairs denies the existence of this imbalance. He is not acting in good faith. The federal government cuts health and education transfers. But let us return to the subject of today's debate, health. The federal government comes as a saviour and says "Look, I am giving you a little bit of money. Be content, even if instead of robbing you of $100 million, I take $25 million from you". It is completely unacceptable.

It is really sad to see the federal government make savage cuts in health services, and act as a saviour afterwards. Some hon. members across the way say "It figures, it is mean separatists who say that". But that is not true.

I would like to remind the hon. members that, when he was the rotating president of Canada's Premiers' Conference, Gordon Campbell, the Premier of British Columbia, also said, and I quote from a letter he sent to the Prime Minister of Canada on February 12:

[*English*]

> Notwithstanding our ongoing efforts to contain costs, it is clear to all premiers that existing federal transfers to province/territories do not provide a sustainable basis on which to provide an improved quality health care to Canadians.

[*Translation*]

This is not a separatist refrain. All the premiers says so, unanimously. The funding put into health care by Ottawa is not enough to maintain the quality level that Quebecers and Canadians have a right to expect.

When even the leader of the Quebec Liberal Party, Jean Charest, agrees with the position of the Quebec government—and God knows that Mr. Charest's requests are usually very minimal; my colleague talked about an invertebrate's requests, and I agree with that—something is wrong somewhere.

In conclusion, all this brings us to the kind of shenanigan represented by the Romanow Commission, which, ultimately, can only result in more support for the policy of the federal government. Let us not forget who Mr. Romanow is. He is the one who, only 20 years ago, plotted with the prime minister in the kitchens of the Chateau Laurier, in Ottawa, to patriate the constitution against the will of Quebec. You cannot trust a man who sees Canada as a centralized country, a man who will not give any chance to the provinces, particularly Quebec, and will deny them the right to develop a health care system that could be original and different.

● (1030)

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, I want to congratulate the hon. member for Charlesbourg—Jacques-Cartier on the excellent speech he has delivered. I do hope it will set an example for others in this House and will earn us all the support we need to correct this injustice.

Would the member be kind enough to remind the House of the considerable support we have for this motion, especially from the premiers?

Does he not think that, if the government were to vote against our motion, it would reinforce our belief in our 2000 campaign slogan, saying that the only way to defend Quebec's best interests is not by belonging to a Canada-wide party, but by relying on members of parliament whose allegiance goes to Quebec and Quebec alone?

● (1035)

Mr. Richard Marceau: Mr. Speaker, I want to thank my colleague from Hochelaga—Maisonneuve for his excellent question.

We have here, today, a situation quite out of the ordinary, with the Bloc Quebecois promoting a very broad consensus that has been reached not only in Quebec. As I said earlier, the PQ government, along with the Liberal opposition and the ADQ opposition, supports the position we are taking today, as do the premiers of all the provinces and territories.

This raises the issue of knowing how is it that a government which claims to be sensitive to the needs of ordinary people has totally ignored the repeated pleas of a vast majority of Quebecers and Canadians, if not all of them, to start reinvesting right away in the health care system which is sinking.

This is also the question I am putting to my colleagues opposite. How can they remain insensitive to the cries and pleas of their constituents who argue that it is about time Ottawa restored funding in health care sector to at least the 1994 level?

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, yesterday during question period, we witnessed a display of what you mentioned about the government side acting in bad faith.

The Minister of Finance lied yesterday when he told us that the proportions concerning the—

The Deputy Speaker: Order please. I would ask the hon. member for Joliette to please withdraw his last remarks before carrying on.

Mr. Pierre Paquette: Mr. Speaker, I withdraw my remarks.

The Minister of Finance misinformed the House in his comment on the figures quoted by the member for Saint-Hyacinthe—Bagot, who said that the federal government is going into individual taxpayers' pockets for close to 60% of its tax revenue while the figure for the Quebec government, which has assumed its responsibility for health and education in particular, is only 40%.

How can he explain that, on the government side, they keep trying to deny the facts in order to avoid a debate which is essential for Quebec and all of the provinces?

Mr. Richard Marceau: Mr. Speaker, I thank my colleague from Joliette for his excellent question.

I am simply flabbergasted by this refusal to admit the obvious. They do not want to recognize the facts, the figures, the real situation we are in, in order to avoid all debate on the issue.

If this debate takes place, if we examine the situation with regard to health care and the fiscal situation throughout Canada, we will realize that the main cause of the sorry state of health care in Canada is this government. We will realize that it is responsible for this mess we are in today, something it refuses to admit. That is why the finance minister and his colleague, the intergovernmental affairs minister, refuse to admit the truth and the obvious.

[*English*]

Ms. Bonnie Brown (Oakville, Lib.): Mr. Speaker, I will be sharing my time with the Parliamentary Secretary to the Minister of Health.

I welcome the debate because health care is a topic of concern for Canadians today. Unlike the previous speaker I am never intimidated by the member for Hochelaga—Maisonneuve although I respect his talents and oratorical ability. Unlike the last speaker I am not breathless about the debate because I am confident in the progress the Government of Canada is making in co-operation with its provincial partners in the health care field.

Canadians want to know the dollars being spent on health care will ensure they get the care they need when they need it. Canadians know accountability is the key to good governance. It is implicit in the contract between the government and the citizens that funded programs will effectively meet intended objectives.

However accountability requires that governments have good information. I will take a few minutes to describe briefly not only the commitment of the Government of Canada toward improved accountability and reporting but the measures we are taking to ensure more and better information will be available in future to allow us to fully meet our commitments.

In the February 4, 1999 Social Union Framework Agreement governments made a commitment to enhance transparency and accountability to constituents by achieving and measuring the results of their respective programs. This included: monitoring and measuring the outcomes of programs and reporting regularly on performance; sharing information and best practices to support the development of the outcome measures; working with other governments to develop over time comparable indicators to measure progress on agreed objectives; and publicly recognizing and explaining the respective contributions of governments.

As a nation we spend over $95 billion a year on health care, more than 9% of our gross domestic product. Yet near the end of the nineties Canadians had limited information to assess the performance of the health system. Policy makers and health professionals knew much less about health outcomes and the performance of the system than they needed to.

Oh yes, we knew a fair bit about inputs into the health system such as the amount of funding, where it came from, the number of professionals working in health, the number of person days spent in hospitals, et cetera. However we knew little about the outcomes we got for the inputs so we literally could not tell how efficient our health system was. We knew little about what happened after patients left hospitals. We did not know whether they left cured or uncured, in good shape or disabled, or whether they went back to their homes or to other care providers.

We knew little about the overall health of the population. We could not compare the health of the population in, say, 1997 with its health in 1987 because we had not had the foresight to keep a survey of population health active through the eighties and nineties. Nor could we compare the health of Canadians in Calgary with the health of those in Quebec City as we had not invested in surveys that could give reliable health information.

I am glad to report that we started to change that in the 1999 budget. We allocated $95 million over four years to the Canadian Institute for Health Information to strengthen its capacity to report regularly on the health of the overall system and to allow Statistics Canada to report on the health of Canadians. The institute will work with partners to identify which health indicators to measure, develop data standards, fill key data gaps, and build capacity to analyze data and disseminate information.

● (1040)

In September 2000 the first ministers reached an agreement that will allow Canadians to see how well their health system is serving them. The agreement will help all of us improve the delivery of health care services in Canada. It will build on and lend precision to the directions of the social union framework.

The first ministers agreed to report on indicators to improve accountability to Canadians regarding the performance of their health care system. The agreements respect the fundamental responsibility of the provinces to deliver health care in their jurisdictions. A performance indicators reporting committee chaired by the province of Alberta is working with existing committees to identify comparable indicators in 14 areas under three themes: health status, health outcomes and quality of service.

The reporting committee works with various groups including Statistics Canada and the Canadian Institute for Health Information to provide policy advice to carry out the required development work on the indicators. The indicators will be used in performance reporting by governments beginning in September 2002. Each government is responsible for reporting on its own jurisdiction and ensuring its own appropriate third party verification.

The work is proceeding well and on schedule. The reporting committee has been successful in achieving consensus among the jurisdictions toward reporting indicators in each of the 14 areas by September 2002. The committee held a consensus conference in September 2001. The resulting proposal which identified approximately 60 specific indicators was endorsed by federal and provincial deputy ministers in November 2001.

Health Canada is a full partner in the program, not only because it is involved in direct delivery of health services to the aboriginal population but because of its support of a range of measures to ensure accountability across the full range of policies and programs for which it is responsible.

To improve accountability the federal government has embarked on a number of initiatives aimed at embedding the principles of results based management and fostering a continuous culture shift to outcomes oriented decision making. The initiatives are aimed at enabling Health Canada to meet the objectives of the Treasury Board's Managing For Results program.

Pursuant to the 1999 Federal Accountability Initiative, Health Canada is developing and using performance frameworks at a departmental and program level, strengthening the departmental evaluation function, and developing tools to enhance performance measurement.

The reporting committee process to report on health system performance this coming September relies heavily on information being generated by the investments we began in the 1999 budget.

Budget 2001 provided an additional investment of $95 million to ensure the Canadian Institute for Health Information in conjunction with Statistics Canada could continue to provide quality health information. The objectives are to: provide information to help federal, provincial and territorial governments meet their performance reporting commitments; provide the evidence base necessary for health care providers and managers to make informed decisions about health system renewal; provide the information necessary for Canadians to make informed decisions about their health; and expand the sharing of health information through a comprehensive approach to data dissemination that respects the privacy rights of Canadians.

The investment will ensure Canada continues to standardize, collect, analyze and disseminate essential health information. It will ensure the regular dissemination of timely and relevant information needed to enhance public understanding and debate about issues of health and health care. It will also provide invaluable support to those responsible for developing policies, designing and managing programs, and evaluating the effectiveness and efficiency of the $95 billion Canadians spend on health care every year.

● (1045)

[*Translation*]

Mr. André Bachand (Richmond—Arthabaska, PC/DR): Mr. Speaker, I have a question for the hon. member about the motion of the Bloc Quebecois member.

Does she recognize that, in fact, the federal government is paying only 14% of the overall costs of health care in Canada?

[*English*]

Ms. Bonnie Brown: Mr. Speaker, that is the position of many provincial governments and some of the opposition parties. However it neglects to include the spending the tax room we gave to the provinces several years ago in the form of tax points.

If one includes the tax points and the money generated by them, the federal contribution rises to somewhere between 31% and 33%. I do not accept that 14% is the federal contribution to health care.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, would the hon. member accept that 31%, which we will leave uncontested for the moment although it is contestable, is still a whole lot less, about 19 points less, than the 50% health care cost sharing in Canada used to be between the federal and provincial governments?

● (1050)

Ms. Bonnie Brown: Mr. Speaker, I agree that the percentage has changed considerably over the years. At the beginning it was 50%. However since the beginning of medicare there have been a series of agreements with the provinces. In most cases either the provinces proposed and the federal government agreed or the federal government proposed and the provinces agreed to differing percentages than there had been at the outset.

The public probably wonders why it happened. If the provinces are complaining now, why did they agree to the earlier sums? I cannot go into exact detail but my understanding is that the provinces traded money for power. Each time they took less money they obtained more jurisdiction and a freer hand in deciding how to spend the money. There was a tradeoff and the provinces agreed. It is a little late for the provinces to come back and complain about a system based on agreements they signed.

Mr. Greg Thompson (New Brunswick Southwest, PC/DR): Mr. Speaker, it was interesting listening to the parliamentary secretary. I have a question for her regarding one of the things we in my party entertained in the last election. It was rejected by the Canadian people, as one can see by the size of our caucus. However it is worth thinking about.

In addition to the five principles of Canada Health Act we are suggesting a sixth principle of predictable sustained funding. This would ensure we did not have a sporadic movement of funds, that there could be long term planning and that provinces could depend on the funding being there five or ten years down the road. It has to do with long term planning versus the short term planning we have seen by various governments over the years.

Could the hon. member comment on this sixth principle?

Ms. Bonnie Brown: Mr. Speaker, the member's suggestion has to a large degree been taken up by the government. About 15 months ago the premiers and the Prime Minister signed an agreement on health care funding that was to last five years.

This is another reason it is surprising that the premiers are suggesting they are not getting enough money. They agreed to a five year amount to be doled out on an annual basis. Now they are saying it is not enough. They say they need another $7 billion or so.

Long term sustainable funding is the goal of every program the Government of Canada administers, whether it is funding for the arts, the CBC or health care. Health care is the most important of all these. However as fiscal stewards of the nation's treasury the government must always be responsible. To go beyond five years would not be totally responsible.

Mr. Bill Blaikie: Mr. Speaker, I am not sure what the bureaucrats are saying in their briefings to the Liberal backbenchers, but my understanding of agreements between the federal government and the provinces with respect to health care is that excepting the health accord of August 2000 the last agreement between the federal government and the provinces was when they went to EPF funding, Established Programs Financing, in 1977. In 1982 it was unilateral. In 1987 it was unilateral. The federal government has acted unilaterally all along the way, and to suggest that somehow this has been done by agreement is quite false.

The health accord of August 2000 is different, but even then it was a kind of take it or leave it. The money was put on the table and the provinces were told if they did not agree they would not get anything. I do not think any provincial premier could have done otherwise, but that does not take away from the fact that the federal government still has not put back into the system what it took out with those various unilateral actions over the years.

● (1055)

Ms. Bonnie Brown: Mr. Speaker, I cannot be responsible for decisions made by the government during the 1980s. I do know that there was a moment in time when there was an agreement made for bloc funding. I believe the provinces asked for it so they would have more of a free hand in dispensing their moneys among their various human service programs. No matter what spin the member opposite puts on the recent agreement called the health accord, the premiers did sign it and emerged sounding quite pleased with the agreement they had made.

[*Translation*]

Mr. Jeannot Castonguay (Parliamentary Secretary to the Minister of Health, Lib.): Mr. Speaker, thank you for this opportunity to address the opposition's motion.

Canada's publicly funded health care system is a partnership between the Government of Canada and the provinces and territories. While the provinces and territories are responsible for the organization and delivery of health care services in their respective jurisdictions, the Government of Canada sets the national principles that provinces and territories must comply with to receive their full cash contributions under the Canada health and social transfer program. This shared role requires us to work in close co-operation with one another.

As members know, the federal health minister is the minister responsible for the administration of the Canada Health Act. This responsibility involves the monitoring of provincial and territorial health systems to ensure that they adhere to the criteria and principles of the Canada Health Act.

The Canada Health Act, passed by parliament in 1984, is the cornerstone of the Canadian health care system and forms the basis of medicare. This legislation affirms the Government of Canada's commitment to a universal, accessible, comprehensive, portable and publicly administered health insurance system. Canadians identify with Canada's health care system more than with any other social program in this country.

Health Canada's approach to resolving possible Canada Health Act non-compliance issues emphasizes transparency, consultation and dialogue. Our ultimate goal is to ensure that the underlying principles of our public health care system are protected for the benefit of all Canadians. In working with the provinces and territories, we are putting a much needed emphasis on making the health care system more accountable and responsive to Canadians.

In his 1999 report, the Auditor General of Canada recommended that Health Canada improve its capacity to monitor provincial and territorial compliance with the Canada Health Act. In response to this recommendation, Health Canada increased spending on the administration of the Canada Health Act by $4 million a year, up from $1.5 million a year. These additional resources have been targeted to enable the department to better monitor and assess provincial and territorial compliance with the act.

These resources are also being used to enhance the department's knowledge and understanding of provincial and territorial legislative frameworks for health insurance. To achieve these objectives, the Canada Health Act Division relies on the support of the six Health Canada regional offices.

Finally, these additional resources have been used to develop a new Canada Health Act Information System, which assists the department to better monitor and assess provincial and territorial compliance with the Canada Health Act.

I am glad to say that with the additional resources committed to improving the administration of the Canada Health Act, the Government of Canada's capacity to fulfill the expectations of Canadians has remained strong.

Under the Canada Health Act, all Canadians must have access to medically necessary health services on uniform terms and conditions. Canadians continue to attach a high importance to each of the five principles in the act.

The act itself comprises five criteria, two conditions, and two provisions. The five criteria of the Canada Health Act require that provincial and territorial health insurance plans be: universal, accessible, comprehensive, portable and publicly administered.

The Canada Health Act requires that the provinces and territories provide the necessary and required information to the Government of Canada for the purpose of bettering the administration of the act, and for reporting to parliament. Also provinces and territories are required to recognize the Government of Canada's contribution towards insured health services and extended health care services.

Finally, there are two additional provisions of the Canada Health Act. The first provision relates to extra billing by physicians. This provision prohibits direct charges to patients by physicians in addition to the amount they receive from the provincial or territorial health insurance plan for insured physician services. The second provision relates to user charges. Its purpose is to prohibit provinces and territories from allowing individuals to be charged for any other insured services.

The Canada Health Act serves as the Government of Canada's guarantee to Canadians that the health care system of this country will be safeguarded and secure. Canadians expect their government to continue to support and protect the values that they hold most dear.

As I mentioned earlier, the act is closely linked with the Canada health and social transfer payments. In order for the provinces and territories to qualify for a full cash contribution under the transfer, they and their health insurance plans must comply with the criteria, conditions and provisions set out in the act.

● (1100)

In September 2001, the Prime Minister announced a $18.9 billion increase in CHST cash transfers to the provinces and territories over the next five years, in support of health. For the fiscal year 2005-2006 alone, the sum total of CHST cash transfers will reach $21 billion, or an increase of about 35% above the current level.

It is through co-operative spirit and joint collaboration between the federal, provincial and territorial governments that the Government of Canada continues to be mindful and respectful of provincial and territorial governments, their mandates and our respective jurisdictional boundaries.

That is why, in the event of provincial or territorial non-compliance with the Canada Health Act, the act identifies a process that the federal minister must follow to try to resolve the issue. Through this process, the federal Minister of Health and her counterpart in the province and/or territory begin discussions about the potential violation. If non-compliance is confirmed and a resolution cannot be achieved through these negotiations, the federal Minister of Health may opt to invoke either of the sanction mechanisms of the Canada Health Act.

It is very important to know that the purpose of the sanction mechanisms is not to impose penalties on the provinces and territories, but rather to achieve compliance to the principles of the act.

The two sanction mechanisms allowed for in the act are the mandatory and the discretionary sanctions.

The mandatory sanction requires dollar-for-dollar deductions to a province's or territory's allocation of the Canada health and social transfer. This dollar-for-dollar figure is based on the amount equal to the charges in extra billing or user fees that have been charged to patients.

The discretionary sanction is imposed if the federal Minister of Health is of the opinion that a province or territory has not complied with one of the five criteria or the two conditions of the Canada Health Act. This would result in a reduction in the amount of transfer payments depending upon the severity of the violation.

To date, the discretionary sanction has not been used by the Government of Canada, the objective of the government being to resolve outstanding issues in a co-operative and collaborative manner.

It is important to remember that the Canada Health Act is a legislative framework of broad principles and criteria, which allows for flexibility in its interpretation and application. This act differs from other legislative frameworks because it is accommodating to the evolving changes and trends which are occurring in the health sector.

Contrary to what some critics of the Canada Health Act may say, the act is not a straitjacket. This does not preclude provinces and territories from implementing appropriate reforms. The Canada Health Act is broad in its interpretation, application and scope. Its purpose is to preserve the values embedded in our health care system, those of equity, accessibility and quality.

In this new century, the dynamics of the health sector are changing every day. There have been many shifts in health care, and reform has occurred across the country with respect to the provision and delivery of health care services. Canadians expect the Government of Canada to lead in the discussion around new ideas and alternatives in its approach to their health.

That is why, on April 4, 2001, the Prime Minister announced the launch of the Commission on the Future of Health Care in Canada, led by Roy Romanow. The mandate of the commission is to engage Canadians in a national debate on the future of Canada's health care system. This task is an important one in light of increasing complexities in the system coupled with the rising expectations of Canadians.

Canadians expect the Government of Canada to protect health care in this country as a symbol of their national identity. Work is continuing on monitoring, compliance assessment and reporting on the Canada Health Act. Health Canada and the provinces and territories are working diligently in developing a Canada Health Act dispute avoidance and resolution process.

The Government of Canada is committed to the principles and conditions of the Canada Health Act. Through renewed spirit and collective co-operation between the two levels of government in this country, Canadians can be assured that the Government of Canada will continue to sustain and strengthen their medicare system.

● (1105)

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, I listened carefully to the speech delivered by the Parliamentary Secretary to the Minister of Health. As interesting as it was, I think it was made during the wrong debate. The motion before the House deals with the government withdrawing from health care funding, but I think the member deliberately chose not to address this issue.

As the Parliamentary Secretary to the Minister of Health, the member is probably more knowledgeable than many others. So, I would like to put to him some more pointed questions, which he should be able to answer.

The motion brought forward by my hon. colleague from Hochelaga—Maisonneuve condemns the government for withdrawing from health care funding. It condemns the government—rightly or wrongly, that would be up to the parliamentary secretary to tell us—for no longer shouldering more than 14% of the costs of health care. It reminds the House that, in 1993-94, when the Liberal Party took over, the federal contribution stood at 22.4%. So, this represents a drop of around 10%.

I have a question for the parliamentary secretary, who will probably vote against the motion, about the government no longer shouldering more than 14% of health care funding. If my colleague does not agree with this figure, could he tell the House what percentage of health care funding his government is shouldering? As the Parliamentary Secretary to the Minister of Health, could he answer this question?

Mr. Jeannot Castonguay: Mr. Speaker, the Government of Canada has clearly demonstrated that it has not withdrawn from the Canadian health care system.

First, in September 2000, a five year agreement was reached with the provinces and territories to maintain stability and meet the demand in order to have a longer term vision of what the funding would be.

Then, last fall, the Romanow commission, in co-operation with all the provinces working on this issue, looked at ways of renewing and improving our health care system.

I do not see that as a withdrawal. On the contrary, I think the government is totally committed to ensuring that the system is there for the next 25 or 30 years. We know full well that the system needs to be improved and fine tuned to meet the needs of all Canadians, from all provinces, including Quebec.

[*English*]

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I would like to repeat the question just posed by my colleague from the Bloc about actual figures from the government for cash transfers by the federal government to provincial governments. That is the critical question here today.

We have heard clear figures from the Bloc and we know from the provincial premiers their assessment of the situation, yet the government continues to refuse to address specifically the critical question at hand. What is, from the government's own estimates, the federal share in cash transfer dollars to the provincial governments for health care? That is one question.

The second question relates to the response of the parliamentary secretary just now when he said in effect "don't worry, be happy", the system will be here 25 years from now. The fact of the matter is it will not be here even one year from now if the federal government does not make some immediate moves. As the share stays at below 15%, or whatever number the government will finally admit to, provincial governments like those of Alberta and British Columbia are taking very drastic measures that fundamentally alter the nature of health care in Canada today and actually bring us very close to that point of crisis, after which there is no point of return.

Therefore my other question for the parliamentary secretary is this: What is the current government thinking in terms of emergency transitional funds to assure provinces that as Romanow proceeds with his dialogue, discussions and public hearings there will be some assistance to help bridge the gap and ensure that these fundamental transformative changes to health care are not undertaken in Canada today?

[*Translation*]

Mr. Jeannot Castonguay: Mr. Speaker, I will start by answering the second part of the question asked by my colleague.

The provinces will continue to wait at the door to try to obtain more funding. It is human nature, and we know that. Let us not forget that all the provinces are receiving funding every year under the agreement signed by all of them in September 2000, and that funding will continue to increase each year over the next three years.

We can debate the figures and say that it is 14%, 18% or 20%, but the 14% figure refers only to the portion paid under the Canada health and social transfer. We know full well that the CHST accounts for only 41% of total health transfers.

There are obviously other amounts that are transferred in support of health, but the opposition has a tendency to ignore them.

● (1110)

[*English*]

Mr. Rob Merrifield (Yellowhead, Canadian Alliance): Mr. Speaker, it is a privilege to speak on this issue. It is an issue of great passion for most Canadians and I am passionate about it myself.

I would like to split my time with the member for Okanagan—Coquihalla.

I will pick up the debate where we left off, speaking about the number of dollars spent in health care. I applaud the hon. members of the Bloc who brought forward the motion, which talks about the dollars, the provincial jurisdiction and the Romanow report. I support the hon. members, although I would put a caveat on their suggestion that the Romanow report may not open debate. I think that debate is what we need in the country and I think the Romanow commission will help fuel some of that debate. I hope it is a healthy debate, although even the greatest report coming from Mr. Romanow would probably be used as a political pawn, as we have seen happen with health care. I will explain.

Health care is the top priority for all Canadians. The latest poll, on December 7, showed that 82% of Canadians had health care as the number one issue on their minds. It continues to be the number one concern for people.

A government that is supposed to respond to the people it serves has failed them, I would argue, in not addressing the problems in health care. Let us take a look at health care funding since 1993-94. Where did the CHST cash transfers go? They were at $18.8 billion in 1993-94. By the way they are not there now because since that time we have seen a massive unilateral withdrawal. In 1995 there was a massive $3.8 billion reduction in funding transfers with the CHST dropping to $14.7 billion in one year. Two years later the CHST fell to $12.5 billion. This slash and burn approach of the federal finance minister was great for his bottom line but it was absolute devastation for health care.

I was made part of the health care crisis because I was on a regional health authority and actually was at one of the first Alberta round tables brought together to try to deal with the crisis of a $900 million reduction in one year while still sustaining the health care system. The federal Liberal government actually put this burden on the backs of the provinces. In turn, the provinces, with 82% of health care budgets being spent on human resources and actual frontline staff, had to impose a penalty on those people.

This had a ripple effect that absolutely crippled our system. There were enormous consequences. There were massive layoffs of thousands of health care workers and professionals. If that is not bad enough, when those numbers of people are laid off and it is done in that way there is a drop in morale. In fact eight years later stats show that the most dangerous places to work in Canada are our health care facilities. Morale is lower and the number of sick days higher than in any other workforce in Canada. As well, enrolment in medical and nursing schools was cut back and now we are into a massive crisis where we have no doctors to look after the people of the country and no nurses to work in our facilities.

Yesterday it was interesting to ask the Minister of Health about the 1,500 new frontline doctors who are supposed to fan out across the country to train our doctors at our facilities on how to work and deal with bioterrorism attacks. They cannot even find a dozen in the country.

Another issue is new medical technology. New medical technologies were promised to upgrade obsolete equipment. Absolutely nothing was found. The government said it put in $1 billion for that. I did a little research and asked where the $1 billion went. I asked the Canadian Medical Association and it is asking the same question because it still sees medical equipment that is broken down. Hopefully we will be able to find some specific answers. We will follow it up.

● (1115)

Over the last eight years $25 billion has been removed from the federal responsibility for health care in the country. That is in light of an 8% increase in the population. In 1993 there were 28.7 million people in Canada and today we have 31.1 million people. This is a massive number of people we are looking after. Not only that, we have the increase in inflation. Just the cost of doing business in the country has risen 13% since 1993.

Today what are the fruits of this shortsightedness? Wait lists, as I said, are a plague on the system. They grow longer and people on the waiting lists are dying. There is the shortage of nurses and doctors. According to a survey done by the College of Physicians and Surgeons, two-thirds of the physicians in the country are refusing to accept more patients and we are asking them to actually do more work. They are saying they are stretched to the maximum and cannot even take on new patients.

The confidence of Canadians in our health care system has plummeted and why would it not? What more could we expect? This kind of damage is not cured overnight.

To take the opportunity to undo some of the damage by putting more money into the system, the government came up with an accord in September 2000, but that money will happen over a five year period. It is like offering someone who has just walked through the desert a cup of water. The provinces had no choice but to accept it. It was a sort of unilateral decision, just prior to an election, by the way.

What a golden opportunity it was for the federal government and what a missed opportunity. If it wanted to show real leadership on health care and to help out with some of the crises happening in its reign, the government should have followed the dollars with some conditions. It should have led the provinces and showed them how to protect health care and sustain it over the long term. Instead of that, this was just an election ploy with no leadership. The accord was just something that had to be signed so the government could appease its conscience somewhat through this next period of time by just throwing money into the system.

The federal government's responsibility used to be part of a 50:50 arrangement. Now it is down to 14% and in some provinces it is less than that; in Alberta I think it is at 12%. Clearly health care is not a priority of the government. We saw that as recently as the last budget. At least the government could have brought this up to the 1993-94 level by adding another $500 million as a token to say it is with the provinces and realizes there is a problem. Not one penny has come forward. We have seen 6.5% annual increases in health care costs over the last four years. That is purely not sustainable and every province knows it. Every premier is yelling and saying that something has to be done and that they will move forward.

We need to come up with new approaches to rein in the escalating drug costs. We need to find new, efficient ways of delivering health care. We need to ensure greater accountability among the users and providers of health care to eliminate some of the waste in the system. We need to promote more responsible use of health care dollars even within that system. We need to place a greater emphasis on prevention and keep people healthier in the first place to avoid the cost crisis management approach we have seen from the government.

Up to now I have just talked about the dollars and the crisis of the dollars, but health care is a two-pronged problem. Not only did the government pull all the money out of health care, it held the provinces in a straitjacket so they could not be innovative in their approach to delivery. Every time we saw one of the provinces being innovative we would see the Minister of Health ride in with his sword, shake it at the provinces and say “don't you dare” and fly off within minutes before he could be questioned.

The social union framework in 1999 was supposed to appease some of that. What did we get? There was supposed to be a dispute settlement mechanism for any challenges to the Canada Health Act and we are still waiting for that today. I am wondering where the Minister of Health has been in coming up with a dispute settlement mechanism that is fair and takes provincial as well as federal interests into consideration.

When it comes to the Romanow commission, I believe he will do the best job he knows how to do. There will be 18 days of hearings, 7 expert focus groups, 9 partner events, 5 regional sessions, 1 workbook and 1 national conference. It sounds like the 12 days of Christmas. That is the kind of debate that will go on.

● (1120)

The government is great at studying. It has spent some $242 million on studies since it came to power, yet there has been no leadership. I believe Mr. Romanow will do a great job, and the best job that he can, but the government will use it as political positioning for the next election, which is unfortunate for Mr. Romanow and for the health care of Canadians.

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, as the hon. member should know, pharmaceutical drugs are the major cost implication when it comes to health care. Since the Conservatives, under Brian Mulroney, brought in the drug patent legislation, drug prices have tripled to the point where we now pay more for pills than we do for doctors' fees.

Quite clearly the most expensive system within the health care system is controlled by the private sector. With the over 20 year patent protection that the drug companies have and with the escalating cost of drugs for people, what would the member's party specifically recommend to control drug costs across the country? What would he do to help the generic companies offset those costs so that Canadians can have better access to cheaper drugs in their long term health care?

Mr. Rob Merrifield: Mr. Speaker, the hon. member's question is a good one. He is absolutely right. The number one driver of health care costs in the last year was the 9.1% increase in drug costs. When we really break that down does it mean the cost of drugs have risen higher or that utilization has gone up?

I believe the utilization, unquestionably, is the number one reason that the costs have risen. Will that change in the coming years? I would suggest that it probably will not because more drugs in the chain now are about to be approved than we have ever seen before.

I do not believe we can stop it that way. We cannot hold back the tide of new drugs. However we can add efficiencies within the system and we can put in place a regulatory body so that those drugs that are being used are not misused. I see a bigger problem in the misuse of drugs. We must address the issue of the number of individuals who are addicted to prescription drugs.

The drug problem is multi-pronged and there are many different areas we can go on that. The member is absolutely right when he says that it is one of the big problems we have to tackle. I see absolutely no leadership on that from the government,.

Mr. Peter Stoffer: Mr. Speaker, to follow up on that, would he support or at least look at the possibility of a national pharmacare program adjacent to our national health care program that would especially assist our seniors? The population is getting older and more seniors are relying on these pharmaceuticals. Would the hon. member support a national pharmacare program in order to offset the additional costs that seniors will have to face in the near future?

Mr. Rob Merrifield: Mr. Speaker, we have to understand that when it comes to costs in health care, the money comes out of the jeans of the working men and women. Whether we pay for it through a pharmacare program or through different insurance programs, we must be careful not to just mask the real cost of the system.

A pharmacare program is something that has been talked about a lot but I am not convinced that it is the way to go to reduce the cost to the actual working people walking the streets and paying the bill. As passionate as we like to be when it comes to dealing with seniors' expenses for pharmaceuticals, which will just increase, I am not convinced that a pharmacare program is necessarily the way to go.

Maybe we need to examine and debate pharmacare but I believe we must do what is most efficient in order to deliver health care. We should put our energies into focusing on the misuse of drugs and on getting the best drugs instead of wondering how we will actually pay for those drugs, because we are competing with many different interests.

● (1125)

Mr. Greg Thompson (New Brunswick Southwest, PC/DR): Mr. Speaker, in relation to that same question, I am interested in the question and in the response from the member.

To go back to one of the five principles of the Canada Health Act, which is universality, we should keep that in context with prescription services. There are so many jurisdictions in Canada. We have 10 provinces but some of those provinces do provide that service. What does that tell us about the universality of the Canada health system? There is a very disjointed and patchwork quilt approach to it. Maybe the member could comment on that.

Mr. Rob Merrifield: Mr. Speaker, the hon. member is right. I believe every one of the five principles are compromised in every one of the provinces and we do have a patchwork. The provinces are saying that they need a dispute mechanism on the Canada Health Act because the interpretation is being compromised in every area. We need to identify what the interpretation is so the provinces can get on with delivering health care instead of this adversarial approach that we have seen by this government.

Mr. Stockwell Day (Okanagan—Coquihalla, Canadian Alliance): Mr. Speaker, I rise today to speak in favour of the Bloc Quebecois supply day motion on health care.

[*Translation*]

I am pleased to rise today in the House to support the motion on health that was moved by the Bloc Quebecois.

[*English*]

The motion puts the problem precisely right. The Liberal government has withdrawn its support from Canada's health care system. It has hacked and slashed support levels for health care through the transfer payments but, at the same time, has continued to invade and erode provincial jurisdiction over health care services. Most recently it has told the provinces, which are facing a health care crisis due to the federal funding cuts, that they must wait until the federal Romanow commission files its report before beginning vital health care reforms. In other words, the Liberals no longer pay the piper but they still want to call the tune.

As a former finance minister, each time I tabled a budget I warned of the increasing percentage of the budget that was being consumed by health care costs. This is true right across the country. It should not be a surprise to us that this happens because the system itself defies the most basic laws of supply and demand. A quality product and a quality service is being provided at no apparent cost to the consumer. Unchecked the costs can only continue to rise.

I want to address the areas of funding and jurisdiction as both increased and stable federal financing for health care and allowing innovation and flexibility within the provincial systems. These are two of the necessary remedies for the system's current maladies that they face.

To make the problem worse, between 1995 and 2000 the government ripped some $25 billion out of the health care system compared to previous transfer levels. Even with the agreement reached right on the eve of the last election, which was interesting in terms of the timing, health care funding in nominal, non-inflation adjusted dollars is still not what it was seven years ago.

[*Translation*]

In the meantime, health costs keep rising. While federal transfers were slashed, the provinces tried to manage a health care system for an older population and a system requiring new technologies and increasingly expensive medication.

[*English*]

Liberals now tell us that the health care cuts of the mid-1990s were a necessary evil to reduce the threat of a deficit. What they did not tell us was how they went about reducing that deficit. More than half of the deficit pay down was done through raising taxes. That is a no-brainer. Of the spending cuts that were implemented, the federal government cut health care spending six times as much as it cut its own federal programs. Its pet political programs were left largely untouched while health care was ravaged. Even now the federal government has not clearly restored the status quo. Federal funding for health care as a percentage of health care spending is at its lowest level ever, around 14%.

In the last election the Canadian Alliance acknowledged the need for secure health care funding for the provinces. We committed that we would have increased health care funding back to these 1994-95 levels. We committed ourselves to adding a sixth principle to the Canada Health Act, stability of funding by statute. That would give the provinces the stability they need to plan for the future.

In a letter to the Prime Minister and the premiers, I also suggested that federal funding in the longer term could move away from the current system of cash transfers toward a greater use of tax points, especially to those provinces that wanted to and were willing to pursue that. That would be a situation where the federal government would agree to lower its taxes to give the provinces room to increase theirs where they wanted to but with no net tax increase to their citizens.

These tax points, which could be equalized so that they would benefit poorer provinces as much as richer ones, would increase in value as the economy grows. Moving to tax points would have a built in growth factor in funding over time as opposed to provinces continuing to come back every year or two to beg the federal government for more funding.

The main Liberal objection to that idea is that the federal government would lose its stick, its threat of penalizing provinces by cutting their transfers. That attitude, which was expressed by the Prime Minister and the then minister of health, was an expression of contempt for the provinces.

The Liberals seem to believe that only they can protect medicare. They believe that the provinces, whose representatives are democratically elected by the same people who elect representatives of the federal government, somehow do not care about the health care of its citizens. That is absurd.

Liberals believe the provinces, which have the day to day experience of running hospitals, clinics and health boards as opposed to just carping from the sidelines as the federal Liberals do, somehow do not know enough about health care to manage their own systems. This is what the federal government suggests. It says that only the threat of father knows best Ottawa of cutting off the provinces' allowance can be trusted to keep provinces and their citizens in line. That attitude is absurd but it is widely shared by federal Liberals.

Unfortunately, I think it goes a long way to explaining why federal Liberals have never sat down and negotiated a dispute settlement mechanism for health care as they promised in the social union accord which was reached in 1999. They still have not fulfilled that promise.

I was part of the negotiations which led to the social union agreement as Alberta's social services minister and later finance minister. I know how much the provinces were relying on an impartial dispute settlement mechanism that would set the parameters within which the provinces could innovate in health care and in other social services. Unfortunately, the federal Liberals liked being the judge, the jury and the executioner over the provinces. They like that role too much to allow a joint federal-provincial body or some other kind of acceptable impartial panel to judge the provinces' adherence to the Canada Health Act.

● (1130)

[*Translation*]

The federal government must let go of this stubborn behaviour and finally allow the provinces more flexibility when it comes to renewal of the health system.

[*English*]

If provinces want to experiment with greater use of private clinics, including overnight stays or hospitals built and managed by public-private partnerships, or medical savings accounts which promote individual accountability for health care costs, then the federal government should allow that innovation to proceed. Instead we see a government which ran attack ads against a provincial initiative in the last election campaign. An attempt to even introduce modest health care reforms was attacked by the federal Liberals.

The provinces must have the flexibility to innovate within the framework of a publicly funded universal health insurance system. As long as no one is denied necessary services because of ability to pay there should be no ideological barriers to the provision of health care services. Patients do not care whether their wounds are being dressed with a private or public sector bandage, as long as they get the care that is there when they need it and without financial barriers. These waiting lists continue to grow and the demand for services increases exponentially. All the minister can counsel is more waiting.

Two years ago the previous minister of health stated:

> Now I started by saying that the status quo is not an option. We have to change, we have to improve Medicare....On many of these practical issues we've had enough studies, we've had enough reports, we've had enough commissions. We're now at the stage where by working together we can move from recommendation to action.

Bold words indeed. What did the government do after the election? It appointed another commission and asked the provinces to stick to the status quo for a few more years.

The provinces cannot wait, should not wait and will not wait. They will go their own way following the recommendations of the Fyke commission in Saskatchewan, the Clair commission in Quebec and the Mazankowski commission in Alberta. These commissions recommended positive steps for reform and now it is time to implement them.

I met with doctors and nurses in a hospital in my constituency in Penticton, I met with health care advisers in Merritt, and I talked to residents of Summerland who are at risk of losing their hospital services. People are losing supplementary services and it is clear we cannot wait. Rather than standing in the way, the federal government should encourage provinces to innovate.

I urge the minister and Mr. Romanow to dedicate their reforming zeal to achieve these two goals: more stable funding, including the approach of tax points for provinces; and a dispute settlement mechanism, an impartial body respected by the provinces, which can lay down clear parameters to both levels of government. Individual provinces should be allowed to reform their own health care services.

The supply day motion is useful to remind the government to fulfill its end of the health care bargain before it begins telling underfunded, overburdened provinces how they should do their job. It instructs the government on its responsibility both to ensure stable funding and to allow the provinces the flexibility they need to reform the system. This is the way we can move ahead and we challenge the government to move in this direction.

● (1135)

[*Translation*]

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, I thank our colleague for supporting the motion. I would like to ask him three short questions.

He is quite right in saying that the provinces have already thought for a very long time about the form that the health system should take. I am willing to share with him a document that proves that seven provinces out of ten have had working groups between 1997 and now. That is my first comment. If I understood his speech correctly, he wishes to give the provinces as much autonomy as possible.

Second, would he agree that there would be a danger in implementing a conflict resolution scheme between the federal government and the provinces, because this would imply that the federal government can intervene beyond what the constitution allows it to do? The constitution allows the federal government to intervene in health issues concerning aboriginals, epidemics, quarantines and military personnel services.

Does the member share my view that a federal-provincial conflict resolution scheme could lead the government to intervene in a way we cannot wish for if we really want to abide by the letter of the constitution?

Mr. Stockwell Day: Mr. Speaker, I thank the hon. member for his question and for his offer to consult this document together.

Yes, I think there may be some danger when provinces wish to have an agreement with the federal government. On a number of occasions in our history, when the federal government got involved in areas of provincial jurisdiction, problems have cropped up.

In this case, however, before signing anything whatsoever in order to resolve the problems, if all provinces agree, if all provinces are in agreement with the federal government, I think it is not so dangerous.

● (1140)

[*English*]

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, my question for the hon. member from the Alliance who just spoke has to do with the Canada Health Act. The member talked about provincial flexibility and jurisdiction. Could the member tell the House whether he views the Canada Health Act as an acceptable form of setting boundaries on what provinces can and cannot do with respect to health care?

Clearly this is what the Canada Health Act is. The act sets out five basic principles. It also sets out two different practices as unacceptable to the federal government, extra billing by physicians and user fees. These are grounds on which the federal government can withdraw its own money from receiving provinces.

Could the member be clearer with respect to his own view of the Canada Health Act? Does he believe that the setting of these kinds of boundaries as represented by the Canada Health Act are unacceptable? If he was in a position to do so would he seek to get rid of the Canada Health Act? Everything he says points in that direction.

Mr. Stockwell Day: Mr. Speaker, the hon. member was not listening clearly. The Alliance Party has been clear on this, even in the last election. The Canadian Alliance supports the Canada Health Act. We have been asking that a sixth principle of stable funding be added by statute so that we could never again see what the federal Liberals did in terms of slashing the transfer payments to provinces. Within the Canada Health Act Canadians expect they would be able to receive insured necessary health services without any financial impediment and without having to pay. That is something that has to be maintained.

The types of flexibility I am talking about can be handled within the Canada Health Act. If there is a discussion on the Canada Health Act in terms of being improved, then let us look at it. That would obviously have to happen with the full agreement of the provinces and the federal government. The type of reforms we are talking about can happen within the present system, as long as there is a federal government that is willing to work in a co-operative way, respect areas of provincial jurisdiction and keep the federal nose out of provincial jurisdiction.

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I will be splitting my time with the member for Winnipeg—Transcona. I am pleased with the opportunity to participate in this debate.

[*Translation*]

I will start by thanking the hon. member for Hochelaga—Maisonneuve and his Bloc Quebecois colleagues for having presented us with this motion. This is a very important subject. It is a priority for Canadians. It is time the House of Commons addressed this very important matter.

[*English*]

It is important for this debate to happen now. As soon as the House came back on January 28 we tried to have an emergency debate in the House. This requires our urgent attention given the developments in the area of health care over the last number of weeks and months. This is our first opportunity to have a lengthy debate to hold the federal government accountable for its inaction on this very important file.

We should all be reminded of the need for federal action having heard the two speakers from the Alliance Party. If ever there were a reason or a case to be made for the government to get busy and deal with the issues at hand, it is clearer today than ever before. The Alliance is determined to support privatization and to allow for a patchwork of health care systems across the country, and to gut federal responsibility in this area. That is not what we need today. We need federal leadership, action, and a commitment to preserve the Canada Health Act and the principles of medicare.

The Bloc motion is important in terms of its condemnation of the federal government and its reduced level of funding for provincial health care systems. We have no quarrel with that part of the resolution. We strongly believe that the present government is negligent and not prepared to live up to its mandate and responsibilities on the health care front.

We take umbrage and have some concern with the Bloc resolution when it comes to the whole question of jurisdiction and the suggestion that the federal government should not be rethinking its role in terms of expanding the provision of health care services because of the fear that it would invade provincial jurisdiction.

We are at a critical point in the history of medicare. We cannot let jurisdiction cause us to become immobilized. We must be creative and find co-operative solutions. There is a willingness on the part of all provincial governments across the country to work with the federal government to be creative and to restructure medicare so that it can meet the needs of the current population and of future generations to come.

The most curious part about the Bloc resolution is the suggestion that we should condemn the federal government for attempting to invade provincial areas of jurisdiction by using the preliminary report of the Romanow commission to impose its own vision of health care. Our biggest concern is that the government has not done a thing. It is sitting back, letting things happen, refusing to take charge, refusing to enforce the Canada Health Act, refusing to address the funding issue and refusing to prevent the slippage that is so rampant all around us.

The best evidence of that has been the recent statement by the new Minister of Health who said this past weekend that she would appreciate it if the provinces would not take major actions in terms of health care and would not introduce transformative changes to health care in Canada today.

We have gone from the old minister of health who is really the minister of unfinished business and who really must bear responsibility for the dilemma we are in today to a new Minister of Health who is just tiptoeing around. She is so worried about offending the provinces that she has become immobilized and is not showing any necessary leadership in terms of the real threats to health care.

Therefore we have what the Alliance wants. British Columbia is introducing measures to drastically alter medicare as we know it by de-listing vital services such as chiropractic services and increasing premiums by 50%, which would clearly have an impact on those who are least able to afford that kind of increase. The Alberta government under Ralph Klein is institutionalizing a private hospital in that province. Those changes are transformative.

● (1145)

These moves are major and are not merely tinkering with the system. They are a serious threat to medicare as we know it. We need only to look at the impact of free trade agreements in other areas to understand just how much Canada will be prevented from moving forward with innovations in health care if Ralph Klein and the premier of British Columbia are allowed to dismantle and fundamentally alter health care.

We have tried to raise over and over again in the House our concern regarding the federal government's intransigence and refusal to carry its fair share of funding when it comes to health care. We heard from the parliamentary secretary. The government refuses to acknowledge what the federal share of health care spending is.

The federal government refuses to acknowledge something that the premiers, health ministers and finance ministers of Canada have said over and over again, that the federal share of health care funding has dropped to the abysmal amount of 14%. We are talking about a 14% federal share and an 86% provincial share. That fact has to be recognized.

One thing Roy Romanow said to which we should all listen at this very moment is that there is no advantage to be gained by involving ourselves in jurisdictional wrangling and jurisdictions sniping at one another across the bow. The way to get out of that jurisdictional wrangling is for the federal government simply to acknowledge what has taken place, for right or for wrong, and to say "That is the position we are at and here is the dilemma". Let us simply start with that basic assertion and build on that point.

Why does the government continue to hide behind the rhetoric about tax points and the money it put on the table in the September accord? Why does it continue to ignore the fundamental issue, which is a responsible, meaningful share by the federal government in health care? If we only could get that kind of understanding and statement, we could begin to rebuild our health care system.

Time and time again the provincial governments have said to the federal government that they are in a very difficult position because of the refusal by the federal government to provide anything more than the 14% share that is on the table now. In August 2001 they said "Restoration of federal funding through the CHST to at least 18% is our priority". That was in August 2001 yet the federal government is trying to suggest that it is at 18% now. It would help to have a little honesty and straightforward discussion in the debate.

Again in January the premiers said very clearly that they are not able to deal with the growing pressures on the health care system because the federal government refuses to address the critical situation of funding and refuses to commit to more than a 14% share.

We are now at a critical crossroads. The federal government is refusing to budge. It is refusing to acknowledge its meagre share and its meagre position in terms of funding health care. The provincial governments are saying they cannot go on like this and they will have to take drastic action. We have to deal with this impasse immediately or medicare will be lost.

Our plea today is for the federal government to acknowledge the difficulty, to accept responsibility for its cuts over the years, and acknowledge this at least by putting transitional funds on the table to help the provinces through this difficult period before Roy Romanow reports in November. That is the only position left if we are truly serious about saving medicare and about building for the future.

The government has to move today. We simply cannot sit back and ask the provinces not to take any major steps until Mr. Romanow reports. We cannot do that. The pressures are building. We see it every day in terms of waiting lists, people who need drug coverage, people who are desperate for support, people who care for family members who are elderly or who have disabilities. We see it every single day. This is urgent. There must be action today.

I commend the Bloc for bringing the issue forward. I cannot support the motion in full but we appreciate having this debate.

● (1150)

Perhaps today the new Minister of Health will make a clear statement as to the federal government's priorities when it comes to Canada's number one issue, the state of health care in Canada today.

[*Translation*]

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, the hon. member has been a friend of mine for many years. We sit together on the Standing Committee on Health. I can understand that she supports our position in part, but I am a bit disappointed, because it seems to me that she is not being consistent, and may even be contradicting herself.

There is not a politician alive who would object to the federal government restoring transfer payments to the level they were in 1993-94 and increasing its contribution to 18% of health care costs.

What surprises me about the hon. member's position is that she sincerely believes that the federal government knows better than the provinces how the health system should be modernized. For instance I do not see what the Romanow commission could tell us that we do not already know.

The House will recall that I asked that the work already done by provincial task forces be assessed. Seven out of ten provinces have had task forces since 1996. Quebec had the Clair commission and Alberta, the Mazankowski commission. All the provinces except Manitoba have had them.

However, I would caution the member against an approach which, because it is too centralist, would suggest that there is any help coming from the federal government when, as parliamentarians, that is not our responsibility.

It is up to each of the provincial governments to provide care directly to the public. The role of the federal government is to contribute funding, as agreed to in the 1960s, when medicare was introduced.

I would like our colleague to consider this and comment.

● (1155)

[*English*]

Ms. Judy Wasylycia-Leis: Mr. Speaker, we obviously agree on one very important issue, which is the way in which the federal government has unilaterally cut significant amounts from health care transfers over the years. We could cite chapter and verse the number of steps the federal government has taken. It began with the Mulroney Conservatives in the late 1980s and was carried on by the Liberal government when it was elected in 1993.

It got to the point where cash transfers for health care were to drop to a miniscule amount, even zero, unless action was taken. Through a lot of pressure we managed to stabilize that system of funding. However we are still in the terribly difficult position of having such an imbalance federally and provincially in terms of Canada's most fundamental program, our medicare system.

We part company with respect to the role of the federal government in transforming and restructuring our health care system. We believe there has to be a national presence, national standards, national funding and national programs in order to have one system that responds to the needs of all Canadians from one end of the country to the other.

We do not in any way support the concept advocated by the Alliance for 13 separate provincial health care systems. That kind of patchwork system, that kind of mixed response to very fundamental issues is detrimental to Canadians. It is contrary to the vision our forefathers and foremothers had of health care.

We believe that through provincial-federal co-operation we can restructure medicare. We can move our system from a costly institutional medical model to one that is preventive, holistic and rooted in the community. Through incentives from the federal government, through funding, through standards and through programs, we can shape our health care system to respond to the needs of families in their homes and communities. We can adapt and innovate medicare so it goes beyond the institutional model and looks at meeting the needs of people wherever they live in whatever region.

I suppose we have to simply agree to disagree on this one. We know that the Bloc has a fundamental issue around its own political requirements and the separatist agenda.

Let us be clear. If we are truly serious about a national vision for health care and transforming the idea that Tommy Douglas had so many years ago into something that is relevant for today, we have to do it on a national basis with more than just funding. We have to do it with some leadership from the federal government. We have to do it on a co-operative basis. We have to do it together so that we have one health care system that meets the needs of all Canadians, regardless of how much they make, where they live and whatever their background.

[*Translation*]

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, today we are debating a very strange motion.

[*English*]

I do not know how to say weird in French, but what we have here is a motion in which the Bloc finds itself in strange alliance with both the government and the Alliance. It has given the Liberals far too much credit by suggesting that the Liberals have a national vision of health care which they want to impose on the rest of the country—and here is where it gets really strange—through the preliminary report of the Romanow commission.

I have not read it from cover to cover but it seems to me what I remember of the Romanow commission report was that it laid out a bunch of options for dealing with the problems in health care. How laying out options can be construed as imposing a particular vision on the provinces is strange to me.

The other aspect of the strange situation I think the Bloc members find themselves in is that the Alliance supports their motion. It would seem to me that the Alliance vision of health care is a far cry from the more social democratic view of how health care should be provided that we find in Quebec and which presumably the Bloc in some way or another supports.

If I were the Bloc mover of the motion, I would go back to the drawing board and ask myself how it is that I could have devised a motion which gave so much credit to the Liberals and which drew so much support from the Alliance. However, enough of that.

Today we have the opportunity to debate future health care in this country. There are a few things I would like to say; in fact, there are many things I would like to say but I will not have time for them all.

The fundamental thing that is being overlooked by the government is its own culpability in terms of not living up to the commitment the federal government made at the time of the establishment of medicare. It was federal money that was the midwife, that gave birth to medicare in Canada. It was the federal spending power which said to various provinces, even those that were ideologically reluctant, that it would offer the spending of 50 cent dollars on health care if they would agree to become part of the national medicare system.

It is those 50 cent dollars that are absent today. It is the absence of those 50 cent dollars that gives the provinces, even those which are lacking in any other moral high ground, a certain kind of fiscal high ground when they are talking to the federal government about health care. I am thinking in particular of Alberta. It has a point, as do all the other provinces, about federal dilution of its commitment to cost sharing health care.

I find it passing strange, and it points to the ideological dimension of this debate, that it is the province of Alberta which claims that it is under such pressure that it has to experiment and innovate even before the Romanow commission reports. Is it just a coincidence that all the experimenting and the innovation points toward the corporate sector and the private sector being more involved in health care? Why is it that Alberta feels so much pressure? Alberta does not even have a sales tax. Alberta has oil. Alberta has 100 different reasons that it does not have to feel the kind of pressure it claims to feel.

Poorer provinces like Manitoba, Saskatchewan and the maritime provinces are the ones that are under pressure. However because they are more committed ideologically than Alberta is to the principles of medicare, and appropriately so because so are the Canadian people, they are trying to make do with what they have.

It is the height of hypocrisy for Alberta to say "We are under pressure. We have to involve the private sector. We have to have more private clinics. We have to have more patient participation. We have to have this; we have to have that". The fact is Alberta is the province most capable of sustaining the cost of health care in the province and it is unwilling to do so.

The Alberta government's real agenda is not fairness between the federal government and the provincial government, or having the federal government live up to its commitment that was established at the beginning of medicare, or anything like that.

● (1200)

Its real agenda is ideological. In the end it wants to turn over the health care system to the private sector so it can become another place where people make money, so that health care can become a commodity like oil. That is what is really going on here. That is totally contrary to the principles of medicare.

That is exactly what the people who fought for medicare in this country were against; the commodification of health care, the reduction of the provision of health care to a commodity in the marketplace like any other commodity. I believe that is the underlying agenda of Premier Klein and others like him.

However the problem is that they will not just do that in Alberta. If they succeed in doing it in Alberta, given the nature of the North American Free Trade Agreement and given the possible nature of the general agreement on trades and services that is being negotiated now at the WTO, it may well be that they could set precedents for private sector involvement in health care that will be binding on all other provinces.

What gives Alberta the right to do this to the rest of the country? We heard the former leader of the Alliance Party, the ghost of Alliance past and perhaps maybe the ghost of Alliance future, we do not know we will find out in March or April, talking about the horrible federal government imposing national standards on provinces. Yet he does not seem to be offended at all by the notion that by acting alone and by involving the corporate sector, particularly if that corporate sector comes to be American owned and therefore would have rights under chapter 11 of the NAFTA, Alberta might, by doing what I have just described, be imposing a burden on the rest of the country. That does not bother him at all.

I find it much more morally and politically offensive that Alberta should decide on its own to walk through this trade related minefield and at some point might step on something that will blow up not just in the face of Alberta, but in the face of the whole country.

I share the view, only I wish the federal government would express it more strongly, that at the very least the provinces, and in particular Alberta, should wait until the report of the Romanow commission before acting. Let us see what Mr. Romanow has to say before going any further. But one thing that has to be preserved, Romanow commission or not, is the basic principle at the heart of the Canada Health Act. That is, any kind of patient participation at the moment when someone is sick and in need of treatment is unacceptable.

Before the Canada Health Act, we had the Medical Care Act which laid out the five principles. Sometimes when we listen to the debate we think that the five principles of medicare were only established with the Canada Health Act. They go back further than that. What the Canada Health Act did was establish two new things. The practice of extra billing by physicians and the charging of user fees by provincial health care systems would be practices that would be sanctioned by the federal government by virtue of withdrawing from federal transfer payments to provinces the equivalent of what was being charged to patients in those provinces through the imposition of user fees or extra billing by physicians.

What is unacceptable about these two things is that it is a form of patient participation; that is when a person is sick the doctor has to be paid or a user fee has to be paid. One of the things that jumps off the page at me, and which the former leader of the Alliance seemed to be recommending, is these individual medical accounts where people have so much that they can spend and beyond that they might have to spend some more of their own money. That is a form of patient participation when someone is sick. That is a form of having to pay because one is sick. That cannot be advocated and at the same time say what the former leader of the Alliance said when he said he was against having any financial barriers to being treated. That is a contradiction. Both of those things cannot be done.

Whatever comes out of this debate, the notion that there should not be any form of patient participation on the basis of sickness or disease or need of treatment is the thing that has to be preserved if the principles of the Canada Health Act are to be preserved.

● (1205)

[*Translation*]

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, I am very surprised by the hon. member's comments. With all due respect to him, there seems to be a lot of confusion in his remarks.

This is unbelievable. The hon. member does not realize that if he wants to talk about how the provinces should set up the health system, he is simply in the wrong legislature. He is surprised that there is a growing consensus in the House that the role of the federal government, based on its resources, is to restore transfer payments to the 1993-94 level.

What we have here is a centralizing vision that is backward and outdated. I do not understand how a political party can be so insensitive to what the provinces want. This is unbelievable.

Their party, which supported Pierre Elliott Trudeau for years, is even more centralizing than the late Prime Minister. Thank goodness there are in the House parties such as the Bloc Quebecois which care about the regions. Imagine for a moment what it would be like if this parliament was left to the Liberals and the NDP; we would find ourselves in a most unacceptable centralizing process.

Again, I am telling the hon. member in all friendship that if he wants to decide for the provinces how health care should be organized, he is in the wrong legislature.

I believe that such centralization is totally out of date. No one, except the NDP, believes in it. Could the hon. member name a single premier who asked that the Romanow commission rule on how health care should be set up? I am extremely disappointed.

Incidentally, I attended the NDP convention. They even adopted a motion to create a department of urban affairs. Denis Marion had asked me to attend and I spent the whole weekend there. I followed the work being done. I am telling NDP members that such centralization is unacceptable; they are offbeat and are living in a world which no one wants, and certainly not Quebecers.

● (1210)

[*English*]

Mr. Bill Blaikie: Mr. Speaker, we certainly seem to have gotten the attention of the hon. member. He has awoken from the lethargy that the Alliance members imposed on him when they were speaking.

In any event, I do not see the problem that the hon. member sees with the federal government putting conditions on the spending of its own money. If I was going to give him money to be spent on health care would he want me to just say “here's the money, do with it what you would like. Set up private clinics, give it to corporations and do whatever you like”. If it is my money, and in this case it is the federal government's money, the federal government has every right to put conditions on the spending.

That makes it constitutional. That is not an invasion of provincial jurisdiction. That is why the Canada Health Act was devised the way it was. That is why it took years to bring it in. The minions down in the Department of Justice took a couple of years to figure out how they could do this after the Hall commission report. Action on extra billing and user fees was recommended in 1981 or 1982 and it took until 1984 to get the Canada Health Act because the federal government was worried about intruding on provincial jurisdiction. In the end what did the act say it could do? It could put conditions on the spending of its own money and that is what it did with the Canada Health Act.

The government said that it was its money and it would give it to the provinces under following conditions. That is appropriate. I can understand why the Bloc is against it, but to suggest that it is somehow not within the power of the federal government or that it somehow intrudes on provincial jurisdiction is wrong. It may have an effect on provincial policy; that is the choices of provincial governments when it comes to the provision of health care services.

However, if the member wants to stand in his place and make a defence of extra billing and user fees and why the federal government should allow them to proliferate across the country or anything else that amounts to a form of patient participation, I would be glad to hear his defence of that particular policy.

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, it is obvious that when it comes to health care the Alliance and the Bloc think alike in allowing the provinces to do whatever they please and damn the federal government or a national coast to coast to coast medicare system.

My question for my hon. colleague is this. Regarding the NAFTA trade deal the Conservatives and Liberals signed with the Americans and Mexico and regarding the concerns they have on the health care crisis, it is a coincidence that we have the drug patent law, which was passed in the eighties, along with these trade deals, yet the financial burden has been placed on health care. Would he elaborate a bit more on that?

● (1215)

Mr. Bill Blaikie: Mr. Speaker, clearly the hon. member points out a real problem with the health care system. One is called cost drivers by those who analyze our health care system and that is the price of drugs. One of the reasons the price of drugs has gone up is because it has been turned over completely to the marketplace through the gutting of the generic drug legislation that we had up until the 1990s. What has happened to the price of drugs is a good indicator of what will happen to the price of health care if we turn it over to the private sector.

[*Translation*]

Mr. André Bachand (Richmond—Arthabaska, PC/DR): Mr. Speaker, I am pleased to take part in today's debate on health care.

If we were to believe our friends in the government benches, there do not appear to be many problems with health care, except that tens of millions of dollars have been invested in a royal commission and that, everywhere in the provinces, people are talking about health.

I would like to start by saying that we will be very happy to support the motion moved by our colleagues from the Bloc Quebecois. This is a simple motion that sends a clear signal to those who are talking about the issues of funding, respect for provincial areas of responsibility and the role of the federal government.

Before beginning my speech, I would like to address two or three points. First, I would like to say that I will be sharing the time allotted to me with my colleague, the hon. member for New Brunswick Southwest. Second, I will come back to the issue of the role of the federal government. My colleague from the New Democratic Party spoke at length about it earlier. He said that we should expect the federal government to have strong convictions when it comes to the provinces and health care.

However, it is important to remember that the federal government's involvement is mainly through equalization and the health and social transfer, which covers not only health, but also social services. Until I am convinced otherwise, the federal government does not have the same kind of horsemen of the Apocalypse in the field of health as those that are to be found in social services. There are problems in post-secondary education, but when it comes to federal transfers to the provinces, where there are the most constraints and controls is in health care.

It is also important not to overreact. I should hope that no one would accuse the provinces of incompetency when it comes to delivering social services and education. Therefore, we must be wary of this attitude whereby the federal government has to watch over the provinces and lord its cash over them in order to ensure that health care is run properly.

Tax points are one way of ensuring long-term stable and viable funding. If we had this kind of funding today from the federal government—of course, knowing our Liberal friends, it is not likely—but if we had this long-term stable, predictable and substantial funding, we would not necessarily be talking about tax points. There would be less of a need to ensure ongoing, stable and predictable funding to the provinces. This is what tax points do. Right now, unfortunately, such a system offers fewer advantages for the poorest provinces.

That being said, when provinces such as Quebec, or when the National Assembly, to name one body, calls for transfers of tax points, it is because the past experience with the government now in power is disastrous.

Once again, when we examine the two speeches given this morning, one of them said "No, we have provided funding and we know where we are headed. The federal government has put money back into the system. Things are not as bad as all that". Why then was a royal commission of inquiry set up? That is the question we must ask ourselves.

This morning, someone asked what was the total percentage that the federal government had invested in health. The chair of the Standing Committee on Health and the Parliamentary Secretary to the Minister of Health, two people somewhat familiar with this issue, do not even know the figures. And we were told "We have spent incredible amounts to find out where our health dollars are going". With respect to information on health in Canada, we want to know, we want to be accountable. This is why we have spent tens, hundreds of millions of dollars since the Liberals came to power in order to find out where taxpayers' health dollars are going. And two relatively well informed individuals cannot tell us the total percentage that the federal government is spending on health.

So let us not hear that the provinces cannot manage as well as the federal government. Two individuals who should know what the federal government spends do not. Do not ask me. I do not know, despite the hundreds of millions of dollars we are spending to inform the public and make the system of federal funding more accountable.

● (1220)

When they say there is no money problem, this is not true. The minister referred to it in the newspaper *La Presse* of last Saturday, following her visit to Montreal. She said that the system's funding will remain a problem we will have to deal with sooner or later. That is what she said last Friday in Montreal.

While the Romanow commission is doing its thing, the minister asks the provinces to take their time and refrain from doing anything. They should wait for the Romanow report, not try anything to improve the system. There will be, at the very least, an 18-month waiting period. The government will have to do something following the Romanow report. This means at least a two year waiting period. And they tell us not to move.

Friday, the minister told us that at the end, funding will remain an issue that we will have to deal with sooner or later. We will have to wait two years to do so. Is there a funding problem, yes or no? There is one and the minister acknowledged it. For once, I agree with her.

Her predecessor was more concerned with his leadership than with the issue of health. It is still obvious today. However, the current health minister seems to acknowledge the existence of a funding problem. It is about time she did.

The motion says that despite all the commissions, there is still a funding problem. Money will not solve all the problems. Money cannot buy happiness, but it does help a bit.

Let us look at what the Canadian Medical Association had to say on the matter. It said that there has to be a stable reinvestment in health care. We have to do it. The Romanow commission raises the issue of stable funding as a means to allow provinces to adjust. In Quebec, health care costs show a 6% increase. I mention Quebec because I am more familiar with that province than the others. Quebec has to deal with an investment of 3.5%. Therefore, there is a deficit. Like all other provinces, Quebec is looking for solutions.

After nine months, the federal government is recording a surplus of $13.5 billion, plus the other amounts concealed here, there and everywhere. My colleague from Saint-Hyacinthe—Bagot will surely touch upon that, since he is so familiar with the situation. I am anxious to see what the figure will be by year end. We know that there will be $2 billion or $3 billion going for infrastructures. This is being spent right away, because if it is left in the government's hands without any instruction by the Minister of Finance or the PMO, there may be talk about its being invested in real things, such as health. That they do not want, so it will instead get put right away into hidden funds and they will attempt to juggle the figures a bit. I will leave it up to people more qualified than myself, in my party and in the others, including the Bloc Quebecois, to address these matters.

Looking at the four major orientations of the interim report, despite all the respect I have for Mr. Romanow, it must be admitted that the Clair commission, the Lord report, the Fyke commission and the Mazankowski report all addressed this very well, and in more detail than the interim report. The Romanow report is not reinventing the wheel. With all due respect to the author, it is not very impressive. It is an interim report, a consultation paper.

Those who came before the Clair and other commissions are going to reprint their briefs with a new date. They will submit them to Mr. Romanow, saying: “The Clair commission has a copy, as do Mr. Mazankowski and Mr. Lord, and all the first ministers have copies as well. If you want one, we will do one up specially for you, with today's date on it”. That is what will be done.

They are delaying. We know the federal government has the money. We know that the provinces are having trouble making ends meet as far as health services are concerned. Costs are skyrocketing. Drug costs are going up, as are all the machines and scan equipment and so on. People want to have the latest in technology because their lives depend on it.

We are pleased to support the motion of our colleague from the Bloc Quebecois.

● (1225)

[*English*]

Mr. Greg Thompson (New Brunswick Southwest, PC/DR): Mr. Speaker, I thank my colleague from Richmond—Arthabaska for the opportunity to join in the debate. It will probably sound like I am supporting the government when I read some of the statistics. I will move to the task of attacking or criticizing the government later, but I will attempt to put into perspective some of what is facing us as a nation. I will attempt to leave some of the politics outside the equation for the time being.

Health spending in Canada has been growing at a faster rate than ever in the last 25 years. It is expected to exceed $1 billion this year. Figures from the Canadian Institute for Health Information estimate that health care spending will reach $1.25 billion this year, an increase of 6.9% from last year. That follows an estimated 7.1% increase in the year 2000.

As a proportion of gross domestic product, spending has risen to 9.4% from 8.9% in 1997. In comparison the U.S. spends 12.9% of GDP and Germany spends 10.3%.

The problem goes beyond the borders of Canada in terms of what countries are experiencing around the nation. Compared to some of the more advanced and developed countries, Canada ranks fifth among OECD members in the amount it spends on medical services. Yet it ranks well down on the list of most quality categories based on OECD reports of 2001.

The low ranking of Canada's health care system on the OECD's quality scale is consistent with the rank of 30. In other words, Canada is in 30th place according to the World Health Organization. We have some fundamental problems. The question is how we resolve them.

This is the first substantive debate we have had in the House since September 11. Obviously health care has been pushed off the agenda of the House for obvious reasons. The problem has not disappeared. It is still out there. The government has have taken very few measures to address the problems. Spending continues to grow, quality care continues to erode, and according to the statistics I have just cited our ranking continues to go down in terms of other developed countries in the world and quality care given.

There is a number of reasons for it. Let us talk about the Romanow report. I know my colleague has mentioned it, but the Romanow report identified the erratic and unstable funding that has been a hallmark of the government. Again we go back to the 1994-95 budget when the government unilaterally gutted the system without consulting anyone, particularly the provinces. That threw the system into a crisis from which it has yet to recover.

The crises is one of the points that Mr. Romanow remarked on in his report. The system cannot survive if we have an erratic or unstable funding process where at the whim of the federal government money is simply taken out of the system.

In the run up to the last election we proposed that if we were to go beyond that we would have to consider options. One was to add another principle to the five principles of the Canada Health Act. We suggested in the election of 2000 that there should be a sixth principle which would be predictable sustainable funding for the system.

That means governments could plan for the future, which is something they cannot do today simply because year to year they have no idea how much money will be in the system and whether or not it will be taken away by the government.

● (1230)

When we get into these debates unfortunately Canadians' eyes gloss over in the sense that they have heard it all before. They have heard it from me. They have heard it from our critic. They have heard it from every member of the opposition when we are on our feet talking about health care.

It is almost as if the government knows what it has to do yet it refuses to act. I go back to the words of my colleague from Richmond—Arthabaska who asked what is new. I think every member of the House would give Mr. Romanow the respect he deserves. The Romanow report is just one of many reports with the same sort of underlying theme. We have had Romanow. We have had Mazankowski. We have had Fyke. We have had Clair. We have reports coming out our ears.

The government's position, if I could summarize it, is basically to wait it out. It will wait for Romanow's report to be completed and then it will act on it. The time clock is ticking away.

About a year ago the health minister of the province I come from said we were about six inches away from the wall. We are in big trouble in that province. We are in big trouble in all provinces. It has nothing to do with the have or have not provinces. Regardless of the individual wealth of the provinces they are all in trouble.

The Romanow report came down, and what is new? He outlined in his interim report four recommendations. We could boil it down to four ideas. Are any of them new?

First, he said we could start by putting more money into the system. That is not new. We know and the statistics I cited show that has happened to a degree. We can argue about how much the provinces put in, how much the federal government put in and whether tax points count, whether it is 14% of the total or whether it is 25% from the federal side. We will accept the argument the government made that we will not go back to 50:50 funding. We know that is not possible. We will argue over the percentages until the cows come home, but we will not return to the good old days.

The second point Romanow made was on adopting medicare user fees. That one has been discussed around this place for years and in all the provinces. Some of the provinces brought them in only to abandon them.

The third one involves more private health care. It is another one that has been discussed in the House and argued by the premiers in their home provinces.

The fourth one is about making the system more efficient. How can we make the system more efficient? There are many ideas out there that we could all buy regardless of political stripe.

I was struck yesterday by the individual responsibility of Canadians in terms of making the system more efficient. Administratively we can do that. When we examine the role of nurses and doctors and how the system works, certainly a lot can be done and a lot has been done.

A point was made to me by the Canadian Heart and Stroke Foundation that was on the Hill yesterday to bring members of parliament up to date on what is happening within the organization and to educate us in terms of heart disease and what we can do.

The point that was made to me dealt with the individual responsibility of Canadians and what we can do to create less of a drain on the system. If the system is to improve we can do it by better lifestyle practices as individual Canadians with simple things such as diet and refraining from smoking. Some 80,000 Canadians a year die of heart disease and related illnesses brought on by that. Many of them could be eliminated through individual responsibility.

● (1235)

I will leave it at that. It is an interesting debate. As our critic said, we are prepared to accept the motion. I look forward to questions and responses and the continued debate throughout the afternoon.

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, I am pleased to take part in this debate led by my party, the Bloc Quebecois, on the issue of health care funding.

For the next twenty minutes I will broach this issue from the perspective of the tax imbalance. What we need to see, is that the current situation, the underfunding of health networks in Canada, is related to a much more fundamental problem, that of the tax imbalance between the federal government's taxing powers, the ability of the government in Ottawa to collect taxes from taxpayers, and those that have been devolved to the provincial governments, to the Government of Quebec.

The imbalance began in 1995. When the federal government started to get a handle on public finances, it used the opportunity to bring down the deficit, and it did so on the backs of the provinces through the contributions it has historically made to the Canadian provinces and Quebec to fund health, education and income security.

I need not remind people that at the outset, the costs for these federal support programs for the Government of Quebec and for the Canadian provinces in health, education and income security were shared equally between the federal government and the Government of Quebec, and likewise with the provincial governments.

Over the years, the federal government, particularly since 1995, has unilaterally made drastic and uncivilized cuts to get federal public finances under control, while claiming to be getting its own fiscal house in order. That is completely false.

The federal government has done three things to bring about this current tax imbalance. First, it did so by reducing spending: since 1995 the federal government has cut at least $38 billion from transfers that would have been made if the federal transfer programs in health, education and income security had been maintained. The first source of significant savings then is these drastic cuts for a total of $38 billion that would otherwise have gone to the provinces.

Second, since 1977-78—and particularly over the past 10 years—the federal government has been grabbing an increasingly larger proportion of the taxes paid by taxpayers. This is very important, because when we look at the changes in tax revenues and when we distinguish between the various taxes at the federal level, we realize that personal income tax is the fastest growing tax, compared to all other types of taxes. The result is that, for the past seven years, we have had an average annual increase of about 7% in tax revenues generated by personal income taxes.

To give a global picture of the situation, in Quebec the federal government keeps 60% of the revenues from personal income tax, compared to 40% for the Quebec government. And the situation is about the same everywhere in the country. This is very important. If the federal government gets most of the revenues from personal taxes, and if these revenues are growing faster, it means that the government is increasing its chances of achieving larger surpluses year after year. Consequently, annual surpluses become structural surpluses related to the structure of federal revenues, compared to the revenue structure in Quebec and other provinces.

Third, by targeting the deficit at the expense of the provinces, the federal government has reduced its burden regarding debt servicing. Therefore, it is totally wrong to say that the debt is putting considerable pressure on federal public finances.

The federal government cannot say that it improved debt management by balancing budgets year after year, at the expense of the provinces and the unemployed—because there is also the surplus in the employment insurance fund—and claim at the same time that this debt puts undue pressure on federal public finances.

● (1240)

The reality is that, for four years now, there have been savings on the order of $2.5 billion annually in debt management. These are not pressures: quite the opposite. Servicing the debt has become less onerous.

Also in connection with the debt, I would like an explanation as to why, overall, we are paying down the least expensive debt. By creating surpluses and achieving a AAA credit rating, compared to an A or an A+ on average in Canada, the federal government benefits from much lower costs than the provinces with respect to servicing the debt. How is it that, every year since 1997, it has, with a AAA rating, been paying down the debt which costs Canada the least, rather than reapportioning fiscal resources between itself and the provinces so that the provinces, whose debt servicing costs are much higher, can pay down this debt, which is being shouldered by the same taxpayer.

People must get it into their heads that, when it comes to paying taxes to the federal government, to the Government of Quebec or to the Canadian provinces, there is only one taxpayer opening his wallet. The government is not doing a comprehensive analysis of public finances so as to be able to say that it will use fiscal resources in the best way possible.

The federal government is building up the surplus with the measures it has taken in recent years, the deep spending cuts. The tax structure is such that the bulk of revenues come from personal income taxes, providing phenomenal possibilities for generating surpluses year after year.

Even during a period of economic slowdown—last year, we were warned of the most terrible apocalypse—, we are told that for the first nine months of the current fiscal year, the federal surplus tops $13 billion.

This means that even bearing in mind the new initiatives announced in the December budget, which totalled approximately $4 billion, even bearing in mind the six-month postponement in instalment payments for businesses, the very least we can expect, as we predicted, is a surplus in the neighbourhood of $6 or $7 billion.

The people over there keep on trying to take us for a ride, thinking that we will take at face value all the figures they come up with, and their statement that “Come on now, we are not in a position to create the huge surpluses you claim we can create”. Perhaps not, but since there have started being surpluses, and since we have been forecasting figures, we have been coming within 2% or 3% of the truth.

How is it that, with all the public servants at his disposal, our so-called finance minister says just about anything when he gets up here during oral question period? I will come back to yesterday's oral question period a little later on. He tells us “You guys are all wrong, you are barking up the wrong tree”.

Since 1997, we have been releasing our surplus forecast. We hide nothing, we do not close our books. They are open. We do things publicly. We hold press conferences and technical briefings for the press to explain our surplus forecasts. We are dead on. As for this so-called Minister of Finance, he gets by even when he is telling the biggest whoppers possible about the annual surplus. Even when he pays such a disservice to democracy, he manages to survive criticism.

At some point, one thing will have to be realized. It is totally undemocratic to tell us that there will be no surplus, to deliberately conceal the surplus, to put on a good show as a candidate for the leadership of the Liberal Party of Canada, at the expense of the taxpayer, at the expense of democracy. There will have to be a wake up call at some point.

Returning to our tax imbalance, I will address the two examples of yesterday. During oral questions period, the Minister of Finance responded with insults. It made no sense, nor does it make any sense that the press did not pick up on it. In Quebec City, people would be calling for the resignation of a finance minister who said such a thing. It is as simple as that. He dares say anything and everything, and gets away with it.

The federal government has really backed away from its commitments. It has such fantastic surpluses year after year that programs, which were originally cost-shared, in the areas of health, education and income security, that is 50-50 between it and the provinces, have now reached unprecedented levels. The federal government's contribution is the lowest in history.

● (1245)

The federal government now funds only 14% of spending in health care. In education, contributions are at a record-low 8%. I remind the House that at the outset, the cost of these programs was shared 50:50. Yet, we now find ourselves in the current situation.

Of course, the Minister of Finance and the Minister of Intergovernmental Affairs, whose nickname is the troublemaker, because he stirs it up wherever he goes, will answer back "Of course not. The federal government's contribution is much higher than that. It is important to take into account the tax points".

It takes a demagogue to describe the situation like that. The tax points were given, in Quebec's case, in the 1960s because Quebec wanted to set up its own programs, for example for scholarships, for the hospital system and for health care. Subsequently, the Canadian provinces understood that it was to their benefit to also demand tax points. They did so in 1977 and in 1978. They were given them.

When you give something away, it no longer belongs to you. When you sell your house, you cannot come back 30 years later and tell the new owner that you still have rights over it. It no longer belongs to you. It is the same thing when it comes to taxes. They were given.

They were so clearly given away, and it is so clear in our minds, except for the Minister of Finance, the Prime Minister and the Minister of Intergovernmental Affairs, that even federal Liberal advisers are telling them to stop repeating such nonsense. Allow me to mention a few of them by name: Tom Kent, a well known Liberal adviser. Tom Kent, do you know him? The Liberal party adviser. He said that it was wrong of the federal government to claim that tax points were a part of its contribution to health care. He said this a few months ago.

There is also Robin Boadway, professor of economics at Queen's University. We are not talking about l'Université du Québec or l'Université de Montréal, because people might say that these professors are on our side. He is from Queen's University. Is there anything more "Canadian" than Queen's? Robin Boadway said that it was fundamentally dishonest to include tax points in the federal contribution to health care.

These men are not pulling their punches. We are not allowed to use the same kind of vocabulary here. The professor from Queen's describes the use of tax points as a federal contribution to health care, education and income security as dishonest. It must be serious for him to say that.

If tax points involved federal spending, they would appear somewhere in the public accounts or in the government's budget. They are nowhere to be seen. This is not spending that has come our way. Will they ever get it? It is ridiculous.

Let us go back to history, tax points for tax points. In 1942, the Government of Quebec, the provinces, and the federal government signed a tax agreement.

An hon. member: It was Godbout.

Mr. Yvan Loubier: Right.

In 1942, the Government of Quebec, and others, handed over all tax points from personal taxes because the Canadian constitution, your constitution that you supposedly defend so passionately, includes very clear provisions regarding the exclusive jurisdiction of the provinces over direct taxes. Under the spirit and the letter of the Canadian constitution, personal taxes are a strictly provincial jurisdiction.

In 1942, we temporarily relinquished this jurisdiction. In Quebec, we handed over all our personal tax points—we are nice—but only temporarily, in order to finance the war effort, on the understanding that, after the war, the federal government would withdraw from this jurisdiction it had entered illegally and has held on to. If anyone wants to talk about tax points for tax points, we can tell them a thing or two.

Using the logic of the members opposite, what does this mean? It means that the federal government cannot claim to have given Quebec and the Canadian provinces something that did not belong to it. That is what it means.

Under the Canadian constitution, this is an exclusively provincial jurisdiction. How can the federal government now claim to have handed over, in the 1960s and late 1970s, tax points from personal income, when it does not have jurisdiction in this area?

In real life, how can one give back a house that one does not own? We are not rewriting history, but let us talk about tax points for tax points. That is what this is really about.

● (1250)

I was saying that we are now at a turning point. The federal government must realize that it cannot continue to accumulate surpluses indefinitely, while the provinces are unable to meet health needs, which are increasing at the rate of 7% or 8% annually. With a contribution of 14 cents for each dollar invested in health, the federal government should not complain about how hard it is for it to maintain our health system.

Yet, it is these people, who claim to be in favour of a health system that is universal and accessible to all, who are speeding up the privatization process of health care in Canada.

We will not be able to survive with an underfinanced system, as is the case right now, and with arguments so demagogic that they do not stand up to scrutiny. If there is no change in the way of doing things, of considering the issue of tax imbalance, this is more or less what could happen in Quebec in nine or ten years, and also in the Canadian provinces.

In less than ten years, 85% of Quebec's program expenditures will be in health and education. This will leave 15% for all the other priorities. We cannot maintain efficient resource management under a mandate democratically given to a national assembly and leave only 15% to deal with all the priorities relating to environmental protection, international representation and regional development.

Something will have to be done. Our solution is a return of tax points. We are talking about a return because, normally, after World War II, we should have kept these tax points. But at the time, the federal government was trying to centralize, as it still is now. We are talking about very strong attempts at centralization, as the federal government has grabbed a taxation power, which is the key element here, to fund initiatives in provincial jurisdictions. Such measures are major attempts at centralization to build a unitarian state.

The government should stop talking about partnership. It is hypocritical to say that. There is no partnership between the federal government and the provinces. There is constant confrontation and conflict. It is the federal government that is responsible for these conflicts and it is also the federal government that will be responsible for the privatization of health care.

If there had been tax points in 1977 instead of tax point transfers, plus a part in cash payments for health and education, do hon. members know how much more this would have represented for the coffers of the Government of Quebec? Starting that year, there would have been $4.5 billion more than the current contribution the federal government makes to health and education.

Oh no, tax points are not a paying proposition. Our troublemaker over there—I am referring to the Minister of Intergovernmental Affairs—is traipsing about everywhere with his detestable paternalistic air, telling everybody they are not a paying proposition. That is what he says: tax points are not a paying proposition. Oh no, not a paying proposition. With a nearly 7% rise in personal income tax revenues, not a paying proposition? It is for the federal government, but would not be if handed over to Quebec.

A person would need to be a real demagogue to make such statements. On the equalization formula alone, he claims "You will lose equalization payments if the tax points are transferred to you". No way. He, like the Minister of Finance, knows nothing about public finances.

As a matter of fact, the Minister of Finance made two outrageous remarks yesterday. I will come back to equalization later. He said: "In 1999, the Government of Quebec had $16 billion more in income than the federal government." I am still looking in public accounts and everywhere, even in the budgets he has tabled. He does not even know his own budgets.

I believe I know what he did. He referred to the extra $16 billion as income coming from municipal taxes, contributions to the Régie des rentes and revenue from school boards, as if the Government of Quebec could use all that to finance its own initiatives. I believe that is what he did. If that is the case, it was not very honest on his part.

Second, he said that after the special abatement of Quebec, the province' s share of personal income tax is much higher than what is believed. Actually, after the special abatement, the federal government gets around 60 per cent of personal income tax, while Quebec only gets 40 per cent. The Minister should review his numbers and stop his trash talk. Those were two outrageous remarks.

Therefore, we belive that a return of tax points is the solution.

● (1255)

First of all, there should automatically be an adjustment of federal transfers in health and education to take into account the cuts which have occurred since 1994. This means we should come back to the level of 1994 and transform it immediately in tax points. We should eliminate the CHST, the cash payment, and replace it immediately by tax points. Finally, we should immediately launch a debate on the transfer of supplementary tax points to those I mentioned.

This is a lasting and efficient solution, which would force the federal to manage its own affairs in those two areas.

Mr. Robert Lanctôt (Châteauguay, BQ): Mr. Speaker, the question I want to ask my colleague is very short and aimed at allowing him to keep on talking about equalization payments. He was unable to do so and I would like him to resume his speech on equalization payments.

Mr. Yvan Loubier: Mr. Speaker, I do not know how to thank my dear colleague because the issue of equalization payments is a very important one. The Minister of Intergovernmental Affairs and President of the Queen's Privy Council goes around with documents and a slide presentation containing shameful untruths. Obviously, they only give a partial analysis.

He says that as a result of tax point transfers, equalization payments will diminish. This is wrong. It is mathematically impossible in view of the mathematical formulas used to arrive at equalization payments called equalization entitlements. The part of the formula dealing with personal income tax is such that with a transfer of tax points to the provinces, under the formula used, the result would end up being positive.

Thus, not only are we going to benefit from a tax point transfer equal to the value of cash transfers adjusted to take into account the drastic cuts made by the Minister of Finance, but by transferring tax points in such a way, the results will be positive with regard to equalization.

Therefore, the provinces that are currently on the receiving end of equalization payments will get a bit more as a result of tax point transfers. I will take this opportunity to say that it is a first step: transferring tax points equivalent to the federal contribution to health and education.

Later on, we will have to talk about another tax point transfer, because we will not have dealt with the issue of the incredible surpluses accumulating in the federal government coffers year after year. The unbalance will not have been dealt with. All that will have been done is that part of the current federal funding of health and education will have been stabilized and that provinces will have been provided with a tax tool to increase their revenues.

As I said earlier, tax points respecting personal income tax are increasing exponentially year after year, to the tune of 7% a year. The Quebec government and other provinces will have this increased capacity, which will provide them with more stable and dependable funding for health care; predictability is important too.

Currently, even though the federal government is giving $800 million here and $500 million there, there is no way to get stable and predictable funding. In spite of what the Minister of Finance does and the Minister of Intergovernmental Affairs says, a piecemeal approach to management does not work.

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, first I want to congratulate the member for Saint-Hyacinthe—Bagot on his speech. All the taxpayer knows about tax points, equalization, income tax and so on is the amount of tax he or she must pay. To gain a better understanding of what it is all about, it takes a good explanation like the one the member for Saint-Hyacinthe—Bagot just gave us.

The member explained clearly that, in the beginning, in the spirit of Confederation, direct taxation was the responsibility of the provinces, even though the federal government had the authority to legislate in that area under section 92(3). But it was clearly stated that direct taxation was the responsibility of the provinces.

Then the member explained that in 1942, the provinces, including Quebec, agreed to leave the tax field to the federal government for the war effort. We saw that the federal government never withdrew from it.

I do not have the figures in front of me—I am sure the member for Saint-Hyacinthe—Bagot knows all that—but corporate income tax did not increase at the same pace as personal income tax, and if there is no change, this will result in fiscal strangulation because of rising health care costs.

The purpose of asking for tax points is simply to correct an error that was made at the time of World War II when the field of personal income tax was not left to the provinces. Had that been the case, I am sure that we would not have the same problem. I would like the member for Saint-Hyacinthe—Bagot to comment on that.

● (1300)

Mr. Yvan Loubier: Mr. Speaker, my colleague from Lévis-et-Chutes-de-la-Chaudière is absolutely right. Not only have corporate taxes not increased, but they have decreased compared to Canada's gross domestic product.

As for federal personal income tax, it has increased since 1976-77. Let us look at how things stood in 1976-77, before the federal government transferred tax points to the provinces. The principle involved is simple. The federal government withdrew from a tax field to make room for the provinces, but overall the taxes did not increase, because the federal tax was simply replaced with a provincial tax.

In 1976-77, before the transfer of tax points, the federal revenues from personal income tax represented 7.3% of our GDP. After the transfer of tax points in 1977-78, that percentage dropped to 6.3%. But let us look at what the government has done since. They got back everything they gave up and did not even belong to them. They got back everything they gave up to the provinces in tax points.

By 1986-87, federal revenues from personal income tax had increased from 6.3% to 7.4% of our GDP. In 1998-99, with the hidden income tax increases designed by the finance minister, they had reached 8.1% of the GDP. So, the minister more than made up for what he gave up in 1977-78, again on the backs of taxpayers.

In fact, when you really look at it, the government did not give anything up at all. It has made money by increasing personal income tax in the last 15 years. In addition, it has given up something that did not belong to it. Then, it only gave up a part of something that did not belong to it. Consequently, the provinces and the Quebec government should in fact be asking the federal government to withdraw completely from personal income tax and to leave it to the provinces. This would be much more logical and it would respect the intent of the Canadian Constitution.

This is rather special. They claim to be complying with the Canadian constitution. They are fighting for it. They even patriated it against Quebec's wishes and without it's consent in 1982, but at the same time, they are not complying with it. Do you know why? Because the people opposite have a plan for centralization. This vision of one Canada with its nation building and its one country, one nation approach, we see it being implemented right here.

We have got news for them. Even though they are out to grab a taxation power in the area of public finances, which belongs to the Government of Quebec, we will soon make a decision that will allow us to build our own state. We will stop going down on our knees in front of them to try to obtain tax points. Quebecers have had enough of this. Look at all the polls. The members across the way take people for fools. People understand a lot of things, even though the subject of public finances is complex. They understand that in the end, Paul Martin is telling them tall tales.

● (1305)

The Acting Speaker (Mr. Bélair): Order. The hon. member for Saint-Hyacinthe—Bagot knows very well that he cannot use the minister's name. He must say “the Minister of Finance”.

Mr. Yvan Loubier: Mr. Speaker, I got carried away. As for the Minister of Finance and the Minister of Intergovernmental Affairs, the public knows that these two individuals are telling them tall tales, that it is wrong to say, on the one hand, that they have surpluses coming out their ears but that, at the same time, they do not have enough money to repair the damage they have done to the health and education sectors. They understand that the needs are in Quebec and in the provinces. Look at all the polls. People are saying that there are two priority sectors: health and education. It is plain to them, despite all the propaganda.

They have received nice little publications with the maple leaf front and centre telling them that health is a priority and that education is an investment. People can see through this advertising. They are not taken in, because they know that 14¢ of every health dollar comes from the federal government. The rest comes from the Government of Quebec. Bernard Landry and Pauline Marois are doing everything they can to come up with money to shore up the health and education sectors. People know this. They recognize real as opposed to feigned efforts.

[*English*]

Mr. Jerry Pickard (Chatham—Kent Essex, Lib.): Mr. Speaker, it is a real privilege for me to get involved in the debate today. One of the problems we all face in health care is trying to deliver in a timely and efficient manner a service that has increased dramatically in cost while attempting to deal with the multitude of problems Canadians see.

Through discussions I have had I believe most people in Canada wish to see a health care system: first, that they can count on; second, that delivers the service in a timely and efficient manner; third, that makes sure doctors and nurses are available where they are needed; and fourth, that offers people affordable access to the prescription drugs they need.

Canadians are finding major problems with health care. A large group of people do not have the health care services that should be afforded to them. In the area I live in thousands of people are without a family doctor because there are not enough doctors to cover all families. People go to clinics or hospitals for health services and they receive them. However there is a doctor shortage in rural Canada and in smaller cities. We do not seem to be dealing with the question as well as we need to.

There are many reasons for the doctor shortage. First, we do not have a proper number of facilities to train health care professionals. A great deal of change needs to occur in our training and approval process to make sure we have adequate health care professionals be it doctors, nurses or technicians.

Second, 10 to 15 years ago dramatically incorrect assumptions were made which led to the crunch on doctors and nurses today. Many older doctors in Canada had gone on and on with their practices and never retired. In estimating how many doctors we would need in the year 2002 it was not taken into account that many of these doctors would take retirement. As a result we are short in that field.

We did not take into account the number of specialists we would have in the system. Those who specialize in obstetrics or various illnesses have been taken out of the general practice system. As a result the numbers of doctors to carry on family practice has been limited dramatically.

A new phenomena today is that there are clinics in many areas. Many doctors operating in clinics may not be able to handle the long term illnesses of seniors or people with cancer or other debilitating illnesses which require long term care. As a result family doctors are being more heavily burdened with patients who have long term illnesses that take up a dramatic amount of time.

I do not think anyone anticipated the high cost of drugs and medication. If we look at our medical costs today we need to add up not only the costs of hospital care, clinics, family doctors and specialists but the extremely rapidly growing cost of medications. These add to the system as well.

● (1310)

What has happened between the federal and provincial governments is a fight over who pays the bills. In the House today this is one of the areas we are managing. However I hope the debate does not stay limited to who pays the bills and whose responsibility it is. Although these are important questions for all of us it is more timely and important to look at critical issues in our ridings that Canadians face and that we need to deal with.

In my riding of Chatham—Kent Essex there is a young man who requires bone marrow transplants. He is a 24 year old gentleman by the name of Patrick Oxley. Last summer he was diagnosed as requiring a bone marrow transplant. His sister is a perfect match for him but over a six month period the operation did not occur. He has been sent back to the Windsor and Chatham area. The doctors have suggested they will not go on with the operation. This young 24 year old man has no future unless an operation occurs because the disease is deadly.

In my estimation and I believe in the estimation of all Canadians the situation is not appropriate. It is not an issue that can be sloughed aside. We must deal with issues of health care costs and immediate on time delivery so young men like Patrick Oxley will have an opportunity in the future.

There are people in the United States who are willing to operate on Mr. Oxley. The price tag is $100,000 U.S. The community of Chatham—Kent Essex is trying to draw together funds and donations to send Mr. Oxley to Michigan for an operation. Our health care system should be looking after this young man. When he had a perfect match several months ago it should have been dealt with. It should have been a high priority for the Canadian health care system.

Others look on this with a great deal of criticism and stress. If we are not delivering service to Canadians we are missing the real traditional value of the Canadian health care system. It must be dealt with at a federal-provincial level and at all levels.

As an example I have pointed out that thousands of people in my area do not have family doctors because of the shortage of doctors. This means there are many problems in the system. How do we handle the problems? The federal government has taken a strong position in trying to deal with the issues. It has appointed an independent person in the name of Roy Romanow to go across the country, look as carefully as he can at the health care system and come back with recommendations for improvement. The federal government is taking the preliminary steps required to search out the problems.

Mr. Romanow has pointed out clearly in his approach that he is addressing the key themes he has organized his work around. He wants feedback from professionals and everyone across the country on how Canadian values can be reflected in the health care system and how we can do so within the Canada Health Act.

We need to look at sustainability and funding, both important elements in where the health care system goes from this day on. We need to look at quality and access. These issues are not only important today. They will be important to all Canadians in the future. We need to look at leadership, working together and responsibility. We have a responsibility to all Canadians for our health care system.

● (1315)

One of the problems we have as Canadians is the guidelines in the Canada Health Act. The guidelines are not administered by the federal government. The federal government's role has been to work with a health act which ensures all Canadians have basic access to a health care system and certain types of services.

The federal government's role has also been to help finance the costs of health care across the country. Whatever is said and done it is important to realize that all governments, provincial, territorial and federal, must ensure the principles of the Canada Health Act are carried out. We must ensure all Canadians have an equal opportunity for good, decent health care. One of the fundamental privileges of living in Canada is access to good medical care, a privilege which has been built over the years by our forefathers and other people in the country.

The debate comes down to finances. That is a crass, hard way to look at health care. We must stop and think about the fact that we are missing something in the whole debate. If the debate is only about transfer payments to the provinces, agreements that have been made in the past, or blaming one government over the other we miss the important tenet that health care is for Canadians. All Canadians deserve the best health care possible. We must devise plans to move forward in the future.

I mentioned that the Romanow commission was one response the federal government had to move the agenda forward. It is a means of getting input from Canadians and coming up with an agenda to deal with health care, drug costs and all the issues that will be important to Canadians in the future. Over the short term we cannot say Mr. Romanow's report will have a major effect. It is not due until next December.

What have we been doing in the shorter term? It is important to point out to all Canadians that we worked with the provinces in last year's negotiations to put extra dollars into the health care system. In our 2001 budget we confirmed federal spending would be $23.4 billion more over the next five years than it had been for any period up to that point. We came up with an agreement which all provincial health ministers and premiers supported. It was supported by our Prime Minister, the House of Commons and the Minister of Health of the day. We attempted to inject a larger number of dollars into the health care system to make it go further and be healthier on a short term interim basis, the five year base, while giving us room to operate and find out what we need to do.

In his comments and direction Mr. Romanow said there were no sacred cows in the process. He said everything will be up for debate. He said everything will be there to make sure we have a system which will not only be functional but will deliver services to Canadians as need be.

We added $23 billion to bolster the costs of health care. What was the response from the provincial governments? I found it a bit problematic.

● (1320)

The response from the Harris government was "You're not giving us enough money". It had just finished negotiating a deal with the federal government in which all provinces were included and the first answer from the premier of my province, Ontario, was that there was not enough money. He was not saying "We will match the funds that are going into the system" or "We will do everything we can with the resources that have been provided", but was suggesting that Canada was not paying its full share.

I guess we can always look at different arguments and different points of view. I heard my former colleague, a gentleman from across the way, suggest that we cannot go back to a 1977 agreement and talk about tax points when we are talking about funding of health care. I do not know why we do not look back to the past and see how funding has occurred and look at the types of changes that have occurred in the funding of health care to see if we are being fair, adequate and honest with the Canadian public.

It is my view that when we reduced cash transfers to the provinces and handed them another vehicle by which they could raise that much money, plus it took into account increases over the years, we gave the provinces tremendous extra leeway in operating their own systems independently and doing it without as much need for cash transfers from the federal government.

I remember being elected and coming here in 1988. The buzz at that time was that we should make all transfers to the provinces on tax points. People were talking about not giving any cash transfers to the provinces any more but taking the whole cost of our social transfer, putting it onto tax points and allowing the provinces to operate independently. An obvious problem with this is that then the federal government gives up its responsibility to make sure all Canadians have fair and equal access to service. That is a problem.

I understand our colleagues from Quebec saying they would like all the transfers to go to Quebec, they would like Quebec to have a totally independent system and, as a result, they want to eliminate the federal government from health care. However, at the same time who guarantees that all people in all provinces get equal treatment in this country? Who would guarantee that all Canadians would have access to equal treatment in this country? That is problematic. That needs to be dealt with. It cannot be left to 13 or 12 independent bodies to decide how service is delivered, because we all know some areas are wealthier than other areas and therefore the wealthier areas would be able to afford a service that the poorer areas could not. That is not the Canadian way. That is not fair to all people. It is not what we see as a principle of health care in this country: how large one's wallet is and how much we can afford to make sure we deliver the service required.

Many issues have to be dealt with and I believe all issues within the health care system are critically important, but it seems to me that when people criticize someone they should have certain kinds of capabilities of analyzing what has happened in front of them. I do not know if most people realize that federal funding for health care in Ontario, and I am using the province of Ontario as an example at this point, is at an all time high. We have never funded health care in Ontario as much we do today. Federal funding for health care across Canada is at an all time high. People may argue about how it is being done, and that is true, but federal funding is at an all time high. I think it is important to realize that over 91% of the total increase in Ontario's health care budget this year comes from federal transfers, from the federal government. That is a pretty heavy cost for the federal government.

● (1325)

I believe the Ontario government has a problem. It has not looked very carefully at funding programs. It has directed its concerns toward tax cuts. Several other provinces may be looking at tax cuts as well, but generally we have to make certain that the basic services are there before we do tax cuts.

Mr. Loyola Hearn (St. John's West, PC/DR): Mr. Speaker, I was amazed to hear the member talk about health care funding being at an all time high in Ontario. Of course if we look at the real value of the dollars we see an entirely different story. We can buy a car today for $25,000 that a few years ago we could have bought for $10,000, so let us be realistic about this all time high funding.

Maybe he would like to talk about a province like Newfoundland and Labrador, where not only are we getting fewer dollars because of a declining population, but because the young people are leaving and we are stuck with an aging population, health care demands are that much higher. How does he rationalize the fact that this province is suffering because of the way the federal government has cut back on health care funding?

We can look at the richer provinces with increasing populations and say "Look at all we are doing", but what are we doing for Canadians generally? The answer in health care is that we are doing a pretty darn poor job.

Mr. Jerry Pickard: Mr. Speaker, I am very glad to answer my colleague's question.

I think it is important to realize that as a confederation Canada has always made sure that the poorer regions, the regions under greater stress, the regions that need extra help, do get extra help. I would suggest quite clearly that the number of dollars in the health care system has increased dramatically. At this time, if we add the tax transfers to the cash transfers, $34.6 billion is being spent in Canada on those items. At the same time, we have social transfers to provinces that have more problems. Through departments such as Human Resources Development there have been and are programs to help people in weaker provinces, provinces with higher unemployment, provinces with difficulties.

Therefore it is not only the dollars that are going to the health care system to help Newfoundland and Labrador or to help Atlantic Canada, it is the dollars that go into all of our social transfers, the dollars that go into our stabilization payments, and the dollars that go into programming to make certain that all Canadians have access to services.

Quite frankly, I know there are some areas that have a little more difficult times than others, but over the years we as Liberals always have worked hard to defend those areas and make sure they got reasonable payments.

● (1330)

Mr. Rick Casson (Lethbridge, Canadian Alliance): Mr. Speaker, I want to take the member to task about some of the numbers he is using regarding tax credits and actual dollars. Let us look at actual dollars. We are not even back to the 1993 level of actual dollar transfers to the provinces. We are still $500 million short in spite of the fact that inflation is up by 15% and the population is up by 8%. Knowing full well the concerns that Canadians have about proper funding for health care and the whole issue of health care in general, the government in its budget in December did not address how this will be structured in the years to come and there was no new funding.

The fact remains that over all the years the cuts the government has made to transfer payments amount to $25 billion. No matter how we add up the numbers, the fact is that transfer payments have been short $25 billion since 1993. I would like the member to clarify those facts.

Mr. Jerry Pickard: Mr. Speaker, certainly it is very important to look at those numbers, but I believe that when we say we can look at only at half the question and not the whole question, we do mislead to a degree the whole perception of what is accurate and what has been done.

However, I want to point out that in 1994-95 the cash and tax transfers to the provinces from the federal government were $29.4 billion. In 2001-02 the same transfers amount to $34.6 billion, an increase of approximately $5 billion, or a 17% increase, so while my hon. colleague mentioned that inflation has gone up 15%, in my book this is 2% above inflation.

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, it is no wonder that Canadians from coast to coast to coast really ignore what any of the Liberals have to say. We had the comment from the previous industry minister, Mr. Tobin, who was once quoted as saying the drug patent law would destroy pharmacare for seniors. He was right, but when he became the industry minister years later he turned around and supported the additional extension of the drug patent law. This government also turned around and gave an insulting disability tax credit form to 106,000 Canadians, which changed their disability position.

How does the member expect Canadians to believe a single word any of the Liberals say when it comes to health care? They are the government and they are responsible for the adequate funding of health care from coast to coast to coast and right now, as we speak, under their government we have a 13 tier system in our country.

Mr. Jerry Pickard: Mr. Speaker, the administration for health care has, since the inception of Canada, been a provincial responsibility. It is not under control of the federal government.

I take up the challenge, though, when my hon. colleague from across the way suggests that people do not listen to the federal government. It seems to me that in the poll I saw yesterday, the NDP had 9% of the people supporting it, which generally would mean its rate of popularity, of being listened to, is 9%. Right now the Liberal government has a 55% support rate.

The fact is that people know this Liberal government has worked hard and is working hard in their interests. People know that we try to serve the Canadian public as well as we can and they know the government has been responsible since being elected. There is no question about our track record of being responsible, bringing the issues forth to the public and dealing with them in an open forum like we are with the Romanow report.

[*Translation*]

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, I do not think there is much time left for questions and comments, but I am a bit surprised to hear the hon. member say that the federal government is involved in health in order to protect all Canadians and to ensure that all Canadians receive the same level of health care.

We are trying to figure out where he got this. In the constitution, health is a provincial area of jurisdiction. Here is an analogy: for example, defence comes under federal jurisdiction according to the constitution. In order to keep an eye on the federal government's handling of defence, the provinces could perhaps give themselves a privilege, saying "We will strike a committee to monitor the federal government and see whether it is distributing defence-related services equally across Canada". In my opinion, such a statement would be contrary to the spirit of confederation, which is a division of responsibilities.

Where does it say in the Canadian Constitution that health care is a federal responsibility? Where does he get this?

● (1335)

[*English*]

Mr. Jerry Pickard: Mr. Speaker, I never once said that health care is a federal jurisdiction. I did say that the federal government has the responsibility to help Canadians. I did say that all Canadians deserve equal health care. I do believe that we have a national Canada Health Act which is a guide for all provinces, for the federal government and for everyone in the country on the kinds of service delivery required.

On top of that, we finance 35% of the cost of health care in the country through the federal government. As a result we do have a voice at the table. Although we do not administer the programs, it is important that we have a voice at the table, it is important that we protect the weaker provinces and it is important that we protect all Canadians equally.

[*Translation*]

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, I asked the question, but I am going to focus as promptly as possible on the motion the House is addressing at the present time. I would like to reread it:

> That this House condemn the government for withdrawing from health-care funding, for no longer shouldering more than 14 per cent of the costs of health care, and for attempting to invade provincial areas of jurisdiction by using the preliminary report by the Romanow Commission to impose its own vision of health care.

The statement the hon. member has just made about the last part of the speech by the member across the way refers to the end of it. The federal government claims it has no responsibility to deliver, to assume, health care in the provinces. It is not in the constitution. He admits that. But at the same time he says: "Yes but the federal government has already paid a considerable amount for health care and has passed legislation establishing national standards". There are five or six principles, including accessibility. He says: "Since we are spending money, even if it is not in the constitution, we want the federal government to have a say".

Now, it seems there has always been a misunderstanding about health and education. It is mainly the case in those two areas of jurisdiction. The member for Saint-Hyacinthe—Bagot mentioned it earlier. According to projections, in 2010-11, this will represent 85% of the Government of Quebec's spending if nothing is done to change the cost sharing. The same thing goes for the other provinces.

Basically, if nothing is done to gradually bring this fiscal strangulation to an end, this will be the end result. The federal government has reduced its contribution to health and education funding since the abolition of the Canada social transfer, but at the same time it wants to force its own standards on provinces. It is within that perspective that Mr. Romanow is reviewing the system. It is to change the rules.

Mr. Speaker, I wish to inform you that I will be sharing my time with the hon. member for Drummond.

Before the first world war, there was no federal income tax for services, none for health and education. Moreover, in the early days of Confederation, before the creation of the Supreme Court, the Privy Council in London was responsible for settling disputes between the provinces and the federal government. On two or three occasions, disputes were settled before the Privy Council in London. Each time, when direct taxes were an issue—even though it was about private matters provinces considered direct taxation to be in their area of jurisdiction—, the Privy Council supported the provincial governments' position regarding personal income tax.

As the hon. member for Saint-Hyacinthe—Bagot reminded us earlier, during the second world war the federal government asked for more and again asked the provinces' permission—as it had done during the first world war—to collect personal income taxes. This was for a very urgent and important purpose, funding the war effort.

Each time, the provinces allowed the federal government to collect personal income taxes. But after the second world war, having had a taste of personal income tax and finding it easier to ask, the federal government asked the provinces to turn it over for good. At the time, both Ontario and Quebec objected, while the other provinces said "Fine. The federal government can collect taxes as long as we get our fair share". The provinces agreed, except for Quebec and Ontario.

● (1340)

Finally, under huge pressure, Ontario eventually yielded to the federal government and let it collect personal income taxes in exchange for cash transfers to fund certain types of care.

But Quebec, then under Maurice Duplessis, had objected. It finally decided to raise its own personal income taxes and to set up its own ministry. As a matter of fact, Quebec is the only province with a revenue ministry. It has all the officials and the means needed to collect personal income taxes.

The motion before us today deals with health care. I will remind the House that this is a nearly exclusively provincial jurisdiction.

My colleague, the health critic and member for Hochelaga—Maisonneuve, will confirm what I am saying, but the federal government has jurisdiction over which drugs may be put on the market. This is an area of federal jurisdiction. The federal government decides whether a product is a drug or a medication. It is responsible for labelling tobacco a dangerous product or not. Then there is the whole debate on marijuana—and we are aware of this whole aspect because under the criminal code, the federal government has jurisdiction in this area. But it has never been the intent of the constitution or the confederation for the federal government to have the slightest responsibility for health care or education. But today, we are talking about health care.

However, the federal government, with its spending authority, but especially since the second world war, waded into this area. Some provinces wanted to take part, others did not. The federal government wanted to encourage them by saying, "provinces wishing to intervene in health care can do so, and we will give up to 50%". This lasted for a while. Then, Ontario found itself in a situation where it was spending at a level higher than the other provinces; the federal government then set a ceiling.

I mentioned it a number of times, and some of my colleagues also said so after travelling across Canada with the Standing Committee on Human Resources Development during the social program reform—the famous Canada health and social transfer—that when funding for health, education and social assistance was combined, the government used the opportunity to cut the accessibility to employment insurance, which was known as unemployment insurance at the time. A number of provinces, the Atlantic provinces in particular, said that they would have preferred the federal government give them money to provide health care.

However, the province of Quebec maintained, "you recognize us as a distinct society, as a distinct province, so let us keep our taxes so that we can respect the spirit and the letter of the constitution in matters of health". This idea was never greeted favourably.

Even the constitution scares this government. They do not respect its spirit. The member who spoke before me said, "yes, but since we are spending so much money, the federal government should have its say".

What he should have said, and what would be more realistic, is that the government should ensure its visibility in health and other fields. Yet, we see the federal health department putting out ads on all sorts of topics, even erectile dysfunction—I see this brings smiles to the faces of other members—in a field that does not concern it; it is paying for ads simply to give the federal government some visibility.

● (1345)

The Acting Speaker (Mr. Bélair): Order, please. Let us be serious. The hon. member for Hochelaga—Maisonneuve.

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, I thought earlier that our colleague was talking about something that had been left dangling, but I will let him clarify his thoughts on this, since this is an issue that, as you know, may interest you personally.

First of all, I want to congratulate our colleague for his remarkable erudition. Members will have noticed that he is very interested in the work of the Séguin commission on the issue of imbalance. This is a commission that was established by the Quebec government and chaired by a former Liberal minister. So this is not a partisan issue. But I would like to ask two questions of my colleague.

Would my colleague, in a historical perspective on which he knows quite well the ins and outs, be prepared to state in the House that, at this point, following an historical measure taken during the second world war, the federal government has invaded illegally, in a rather *ultra vires* manner, the field of personal income tax, as mentioned by our colleague from Saint-Hyacinthe—Bagot?

Second, does he think that the federal government should restore health transfer payments to their 1993-94 level?

Mr. Antoine Dubé: Mr. Speaker, the answer to the second question is of course yes. This is really what all the provinces are asking.

An agreement was reached shortly before the 2000 general election, but it only re-established transfer payments to about 80% of what they were before. Given the stubbornness of the federal government, the provinces agreed, at the time, to at least recover that portion.

Since then, federal surpluses have increased, as have the provinces' problems, because of the increase in health costs due to the aging population, drugs and technologies. People live longer but, at the same time, they are likely to be sick over a longer period.

The term "illegal" may be a little strong, but during the war it was not illegal, since an agreement had been reached. Because of the war effort, the provinces had agreed to sort of lease the right to collect taxes in this area. Now, the federal government—and the hon. member for Saint-Hyacinthe—Bagot demonstrated it very clearly—sees a possibility here, because of the increase which, some years, was of the order of 7%. Personal income tax has increased much more quickly than other types of taxes, including corporate tax, which has actually gone down, if we take into account the gross national product.

The federal government has developed a liking for personal tax, so much so that 60% of its revenue comes from taxes paid by Quebecers, compared to 40% for the Quebec government, even though cost increases are taking place in two critical areas, namely health and education.

● (1350)

Mr. Robert Lanctôt (Châteauguay, BQ): Mr. Speaker, I want to congratulate my hon. colleague for his speech.

I would like him to clarify his position following the question put by the hon. member for Hochelaga—Maisonneuve as to whether or not it is legal to take back tax points that were handed or were to be handed to the provinces and how our tax dollars are spent. Under the agreement reached at the time, it was intended to be used on a temporary basis, and like a right to use, any temporary measure does not affect the property right.

Could the member explain to me and to our fellow citizens if going back to tax points is legal or not, and does it have to be requested?

Mr. Antoine Dubé: Mr. Speaker, not everybody is in agreement on this issue. Some people think that Quebec, for instance, should request it. In fact, Duplessis did in some way by collecting personal income tax directly, and the federal government never challenged him before the supreme court. However, Quebec never went to the supreme court to challenge this whole thing, because many Quebecers feel that the supreme court always leans the same way. Consultation is therefore not guaranteed.

One thing is for sure, there is an agreement with the provinces to request what the Bloc Quebecois is asking for, which is the transfer of tax points for health care.

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, I am pleased to be part of today's debate on the opposition motion moved by the Bloc Quebecois.

This motion reads as follows:

> That this House condemn the government for withdrawing from health care funding, for no longer shouldering more than 14 per cent of the costs of health care, and for attempting to invade provincial areas of jurisdiction by using the preliminary report of the Romanow Commission to impose its own vision of health care.

This motion speaks for itself. Since coming to the House in 1993, the Bloc has never stopped speaking against the deep cuts orchestrated by the Liberal government in funding for health, social assistance and education.

We all remember the infamous Red Book of the Prime Minister and most of all the words accompanying it, and I quote the newspaper *La Presse* of September 25 1993: "In our program, we have no plan to cut payments to individuals or to the provinces. It is there in black and white".

This speech of the Prime Minister vanished like the morning mist when the Minister of Finance set the record straight a few months later and said that the next budget would contain deep cuts in funding to the provinces for health, social assistance and education. This is what he said in an interview published in the *Toronto Star* of April 19, 1994.

This government said it has done no draconian cuts. Yet, it announce them through the finance minister. Here again is what he said to the *Toronto Star* on April 19 1994: "The next budget will contain deep cuts in funding to the provinces for health, social assistance and education".

This is what destroyed our health care system. This contradiction, and there have been so many others, shows how the Liberals have constantly misled the public, promising a rosy future, while in fact it would get darker.

By refusing to fund adequately health care, the government has undermined the whole structure of our services and put provinces in a situation where they are no longer able to provide the public with the services they need. The government seems to be the only one unable to see the reality as it is. Provincial governments, heath organizations, social organizations and the general public all agree that the massive cuts imposed by Ottawa in health spending are responsible for the dire straights we are in.

In his budget, the finance minister announced no new measure to help provinces overcome the many problems he has caused them by withdrawing from health care funding, which is a priority for Canadians and Quebecers.

The Premier of Quebec was right when he said a few weeks ago in Vancouver, and I quote, "Saying that problems with our health care system have nothing to do with money is denying the obvious".

There must be adequate health care funding in this country. To achieve that, the federal government must at least restore transfers to 1994 levels, which would result in an increase of about $8 billion, a quarter of which would go back to Quebec. I think that my colleagues who spoke before me demonstrated that the government must keep its promises and put money back into the health care system. We are asking it to restore transfers to where they were in 1993-94, and that is without indexation.

The federal government must recognized that the cuts made since 1994 have had a devastating effect on the health care system across the country. Instead of refusing to listen to the needs that have been expressed, the Liberal government should bring funding back to where it was before it decided to make drastic cuts in 1993-94, plus indexation. It would make a little more sense.

● (1355)

The needs are in the provinces and the money is in Ottawa. The problem is obvious. The population is aging, technologies are more and more expensive, to say nothing about the increasing costs of drugs and research.

Money is needed. The tax system within the Canadian federation needs to be readjusted, but first the government must recognize that a tax imbalance does exist, which it is still denying.

Must I remind the Minister of Finance that, in the 1960s and 1970s, the federal government made a commitment to fund 50% of health care costs? Since that time, its contribution has fallen to less than 20%, resulting in the inability of provinces to financially support the system. Instead of recognizing the facts, the government prefers to make flashy announcements.

STATEMENTS BY MEMBERS

[*English*]

EDUCATION

Mr. Shawn Murphy (Hillsborough, Lib.): Mr. Speaker, I would like to recognize the University of Prince Edward Island for its commitment to literacy.

UPEI along with the University of Calgary and the University of Alberta is currently hosting an electronic lecture series with nine internationally renowned scholars in the field of literacy. Beginning in February UPEI will host three of the nine presentations with speakers from New Zealand and Sweden.

This electronic lecture series will allow people in the literacy sector to benefit from the experience of literacy educators and researchers from across the world. The conference will play an important role in global efforts to understand illiteracy.

I commend the University of Prince Edward Island for its part in the organization of the conference, and applaud all three universities involved for their efforts in furthering international education about this worthy cause.

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● (1400)

LAURA ELLIS

Mr. Kevin Sorenson (Crowfoot, Canadian Alliance): Mr. Speaker, I rise today to pay my respects to Toronto police constable Laura Ellis.

Tragically, constable Ellis was killed yesterday when her police cruiser collided with another car and hit a utility pole. Ms. Ellis and her partner were apparently responding to an emergency call.

Every day police officers all across the country put their lives on the line to protect Canadian citizens. We all know and respect the sacrifices they make to keep our communities and streets safe. No other profession demands such selfless acts of courage day in and day out as that of a police officer.

I extend my condolences to constable Ellis' husband, young daughter and other family members. They are all in our thoughts and our prayers.

[*Translation*]

HERITAGE DAY

Mr. Clifford Lincoln (Lac-Saint-Louis, Lib.): Mr. Speaker, yesterday was Heritage Day, a day that I invite all Canadians to celebrate and embrace, and to take the time to reflect on the shared values that unite us as a people in these times of global uncertainty.

Our heritage consists of shared symbols: the collections held in our museums, libraries and archives; the buildings, cultural landscapes and archaeological sites that bear witness to the lives of our ancestors; our breathtaking parks and natural spaces; our traditions, customs, languages and stories. In essence, everything that reflects Canada's cultural diversity is part of the common heritage of all Canadians.

[*English*]

I would also like to highlight the work of the Heritage Canada Foundation in partnership with Industry Canada to provide Heritage Day kits to ministries of education—

The Acting Speaker (Mr. Bélair): The hon. member for Guelph—Wellington.

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ORDER OF CANADA

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Mr. Speaker, I rise today to congratulate three of my constituents who have been appointed Members of the Order of Canada.

Mr. T. Sher Singh, a leader in the Sikh Canadian community, has shown through his endless hours of public service how a vibrant multicultural landscape enriches our nation.

Mr. Ken Danby is recognized as one of Canada's best realist painters. His images of familiar and cherished Canadian themes have earned him an international following.

Mr. Robert W. Gillham has made one of the most important contributions in decades to groundwater science, developing a process of cleaning contaminated water.

These great Canadians will be outstanding Members of the Order of Canada. They truly are great Canadians.

* * *

LITHUANIA

Ms. Sarmite Bulte (Parkdale—High Park, Lib.): Mr. Speaker, every year the people of Lithuania and Lithuanian Canadians gather to celebrate the independence of the land of their heritage. This year on Saturday, February 16, they celebrated the 84th anniversary of the independence of Lithuania and the 748th year of Lithuania's statehood.

Since 1990 when Lithuania reclaimed its independence from the Soviet Union the people of Lithuania have supported with their time, energy and resources Lithuania's efforts to establish democracy within its borders, to develop a free market economy and to build up a national defence system capable of defending Lithuania's democratic way of life.

Canada has always had a very positive relationship with Lithuania. Canada's active Lithuanian Canadian community has also greatly contributed to fostering exchanges and maintaining the friendship between our countries.

I offer my congratulations to President Adamkus, the Lithuanian parliament and people of Lithuanian origin on this momentous occasion.

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HARVEY KIRCK

Mr. Jim Abbott (Kootenay—Columbia, Canadian Alliance): Mr. Speaker, long time news anchor Harvey Kirck has died at age 73. Harvey, who was proud to say he was never known as Mr. Kirck, had the common touch and the gruff, direct delivery that endeared him to a generation of Canadian listeners.

Born in 1928, he began his long career at radio and TV stations around Ontario and out west in Calgary. He spent 20 years as the anchor and co-anchor of the CTV *Evening News*, surpassing the venerable Walter Cronkite in longevity and certainly matching him in the sense of trust and respect in which he was regarded by his audience.

Though he retired from the evening news in 1984 he did not leave broadcasting. He had stints with *Canada AM* and *W5* and displayed his simple love for his country with shows like *Inside Canada* and *Sketches of Our Town*. Harvey Kirck signed off his last newscast with the words "With a heartfelt thank you, I think we should carry on as usual".

On behalf of the House I thank Harvey for years of excellent service to Canadian journalism.

* * *

● (1405)

[*Translation*]

2002 WINTER OLYMPICS

Ms. Raymonde Folco (Laval West, Lib.): Mr. Speaker, our Canadian athletes have already been living the Olympic dream for some days already in Salt Lake City, where they are all doing their utmost to come home with those precious medals which instill pride in us all. Among those representing us are four young people from Laval.

Tania Goulet, a young woman speed skater from Sainte-Dorothée, who came back from Nagano, Japan, with an Olympic bronze in the 3000 meter relay short track, will be aiming for another trip to the podium for Canada.

Along with her in the 3000 meter relay short track will be Amélie Goulet Nadon, also from Laval.

Pascal Richard, an RCMP constable who grew up in Sainte-Dorothée, will be enjoying his very first Olympic adventure. He will be competing in the skeleton run, at speeds of close to 140 kilometers an hour.

Erik Desjardins, a sledge hockey player, will be competing in the Paralympics for the first time. These will be held March 7 though 16 in Salt Lake City.

All of us wish our athletes good luck. For these few days, they are giving us the opportunity to live the Olympic dream along with them.

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ETHICS COUNSELLOR

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, in a statement made yesterday, the member for Abitibi—Baie-James—Nunavik attacked the government of Quebec for wanting to control lobbying activities.

Quebec's legislation on lobbying, which will be among the most progressive and binding in the world, will establish a position of ethics counsellor, who will be appointed by the National Assembly and accountable to the National Assembly, which is what the Bloc Quebecois has been calling for in Ottawa since the Liberals have been plagued by scandals and which, incidentally, was part of a bill that I introduced last June.

The Liberals will respond that they did create an ethics counsellor position, but it is an ethics counsellor with no real investigative powers, who is paid by and accountable to the Prime Minister alone. Despite their rhetoric, the legislative and regulatory framework that exists in Ottawa still allows for patronage, a skill the Liberals have mastered with flair.

When the member for Abitibi—Baie-James—Nunavik stated that "the reality is not so grand", he should have been referring to the situation in Ottawa. When will we get an ethics counsellor who is credible, objective, transparent and, most importantly, accountable to parliament?

* * *

[*English*]

BILL BARCLAY

Mr. David Price (Compton—Stanstead, Lib.): Mr. Speaker, I ask the House to join me today to recognize the life and achievements of Bill Barclay, president of the Royal Canadian Legion, who passed away last week.

Bill Barclay served with the militia in the Saskatoon Light Infantry. He held several positions with the Royal Canadian Legion including past president of the Saskatchewan command and four years on the national executive council before becoming president. He was also chair of the Remembrance and Poppy Committee. He was a strong advocate for veterans, committed to improving benefits and services. He also promoted the teaching of Canadian history in schools.

I ask the House to join me in extending deepest sympathies to the family and friends of Bill Barclay.

* * *

CITIZENSHIP AND IMMIGRATION

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Canadian Alliance): Mr. Speaker, for years the Liberal mismanagement of our immigration system has seen the stayed deportation of many individuals who should have been deported immediately.

Won Pil Park, a South Korean, was originally ordered out of Canada in 1995 after being sentenced to three years in prison for causing the death of a teenager in a road rage offence. After his release Park appealed to the Immigration and Refugee Board and had his deportation put on hold twice. During this time he committed a criminal act where he sexually assaulted a waitress at his restaurant and has again been found guilty and sentenced to another three years in prison.

What kind of example is the government setting by allowing convicted criminals to remain in the country? Will the immigration minister ensure that once Park is released from prison for the second time he will finally be deported? This is one of many cases which again reveals that the Liberals cannot manage even the basics for the country.

* * *

RYAN GIBBS

Mr. Dan McTeague (Pickering—Ajax—Uxbridge, Lib.): Mr. Speaker, I pay tribute to Ryan Gibbs of Pickering who passed away on December 31, 2001, at the tender age of 11. Diagnosed with brain cancer last October, Ryan underwent four operations and chemotherapy. After a valiant battle he passed away peacefully in his sleep with his loving parents Trevor and Ingrid by his side.

Although he was only here for a short time he lived life to the fullest. Ryan was the proud and successful captain of the Pickering East Enders Atom AA team, sporting jersey No. 10. He not only excelled in hockey but was also an accomplished black belt in tae kwon do.

He will be sadly missed by his coaches and teammates alike. Ryan will be forever remembered as a vibrant and caring little boy who his friends could always count on. Ryan enriched our community in so many ways and we are indeed blessed to have had a person like him in our lives. Ryan will be truly missed but the memory of his lively personality will continue to live on for all those who knew him.

I know all members of the House join me in extending our sincere condolences to Ryan Gibbs' family and his countless friends.

* * *

● (1410)

THE ECONOMY

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, when the Bank of Canada sold off to an American firm the administration of the Canada savings bond program, one of our crucial symbols of national sovereignty, the Minister of Finance turned a blind eye.

Now the Minister of Finance believes that Canadian companies are not smart enough to develop security technology for our currency. He wants to import paper from another country for the printing of our money here in Canada. Canadian paper, considered to be the best in the world, is not good enough for the Minister of Finance.

As well, by increasing the foreign content ceiling on pension funds and RRSPs from 20% to 30% the finance minister has caused the Canadian economy to lose $100 billion in investments and the Canadian dollar to depreciate even further.

I have a question. Is the Minister of Finance planning to run for president of the United States or is he serious about building our country right here in Canada?

* * *

[*Translation*]

HEART MONTH

Ms. Monique Guay (Laurentides, BQ): Mr. Speaker, February is designated Heart Month. Every year in Quebec, more than 6,000 people die of heart attacks, and heart disease is the cause of 1,043,582 days of hospitalization.

We must destroy the myth that would have us believe that heart disease only affects older people.

Young people in Quebec and Canada are not physically active enough, and 25% of youth are obese.

Lack of exercise is as significant a risk factor as smoking in the development of heart disease. Other studies indicate that children whose parents are physically active are likely to be active as well.

Let us take advantage of Heart Month to develop healthy habits by taking health walks and by starting sporting activities. Let us get active and play outside with our children.

* * *

[*English*]

HARVEY KIRCK

Mr. Stan Keyes (Hamilton West, Lib.): Mr. Speaker, Canadians were saddened to learn that journalist Harvey Kirck passed away yesterday. Harvey Kirck was a news anchor for CTV for 20 years. He was the first person in North America to anchor the national evening news for such a length of time. He became a part of our lives, reporting on the major events of a generation including the Kennedy assassination, the Apollo missions, the funeral of Winston Churchill, the Quebec referendum and of course many federal elections.

Harvey Kirck was inducted into the Canadian Association of Broadcasters Hall of Fame in the year 2000. He was an old school, traditional, trusted news reporter's newsman. That is what made him real. That is what made him believable to the viewers.

I ask the House to join me in extending our deepest sympathies to his family, friends and indeed all Canadians who remember him with affection.

PESTICIDES

Mr. Bill Casey (Cumberland—Colchester, PC/DR): Mr. Speaker, I ask the new Minister of Health to address a problem in her department which has created a barrier for innovation in the agricultural and horticultural industries in Canada. The problem is the pest control registration process. Last year in Canada only 22 minor use registrations were approved. Last year in the United States 1,200 similar products were approved.

Canada's regulatory system must be adapted to ensure access to new products and safeguard the sector's ability to compete. The regulatory process must not be a drag on innovation. Organizations across Canada like the Wild Blueberry Producers Association of Nova Scotia are demanding that the cumbersome system be changed to encourage innovation, not stifle it.

The minister last week moved quickly to correct another problem with respect to pesticide regulation. I hope that she can now act quickly to again address the unnecessary hurdle that prevents these Canadian industries from competing with countries that promote innovation.

* * *

ORGANIZED CRIME

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, over the last year illegal, homegrown pot operations have risen.

These organized crime operations are a serious danger to the public. Electricity is being diverted by wires that are not insulated properly and can be live. Recent fires in Waterloo region were caused by attempts to bypass hydro meters. The ground around these operations can also be electrified, especially if wet.

To address this serious problem, local city councils have asked that: a mandatory five year sentence be imposed on those convicted of using homes to grow marijuana; the criminalization of marijuana be maintained; and the proceeds from homegrown operations be passed on to local police.

I call on all members of the House to take a stand against the dangers of homegrown pot operations.

* * *

● (1415)

FIREARMS REGISTRATION

Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance): Mr. Speaker, a few weeks ago three RCMP officers showed up at a home in Langley, B.C. at 10 o'clock at night and advised the owner that they were there to seize his firearms because he did not have a firearms licence.

The homeowner took his valid firearms licence out of his wallet and showed it to the three officers. The RCMP officers said that there must have been a mistake in their records and left.

Maybe the solicitor general would like to explain why harassing law-abiding gun owners is a higher priority for the RCMP than tracking down suspected terrorists.

Maybe the justice minister can explain why his super-duper, $700 million gun registry cannot even let RCMP officers identify gun owners with a valid firearms licence. Was not the whole point of setting up the registry in the first place to save police time and resources?

Two ministers have fumbled the firearms file. Will this new minister be the third, or will he do the right thing and put an end to this firearms fiasco?

ORAL QUESTION PERIOD

[*English*]

FOREIGN AFFAIRS

Mr. John Reynolds (Leader of the Opposition, Canadian Alliance): Mr. Speaker, the government's position on Iraq is more confusing each day.

First the Prime Minister said that Canada would not support military action against Saddam Hussein's Iraq. Yesterday he said that military action against Iraq was completely hypothetical. The Minister of Foreign Affairs said that he was open to all options.

What exactly is our government's position on Iraq and the war against terrorism?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, the government's position on Iraq has always been totally clear. We have clearly supported the position at the United Nations of bringing sanctions to bear against a person or a regime which we find detestable. We will continue to support that and to support UN actions against Iraq. We will continue to make sure we are free to act to constrain Saddam Hussein.

Mr. John Reynolds (Leader of the Opposition, Canadian Alliance): Mr. Speaker, that sounds like a hypothetical answer.

I want to quote what the Prime Minister said about Iraq dictator, Saddam Hussein, in the House in 1998. He said:

> We can conclude from his past actions...that if we do not intervene, if we do not stand up to him, our inaction will encourage him to commit other atrocities....

In 1998 Canada was one of only a few countries supporting American and British strikes against Iraq. Why is this not the government's view today?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): On the contrary, Mr. Speaker, I think it is clear from the comments of the Prime Minister and from this side of the House that is exactly what we are doing.

We are operating, within the international system, in a responsible way to make sure Saddam Hussein is not able to acquire weapons of mass destruction and threaten the peace of the world, and this is what we will continue to do.

Mr. John Reynolds (Leader of the Opposition, Canadian Alliance): Mr. Speaker, the Prime Minister said that it was hypothetical, which I think is his new word when he does not know the answer.

There was no broad international consensus in support of strikes against Saddam Hussein in 1998 but Canada stood with its allies regardless of the hue and cry from the left. It is not doing that today.

Again, to quote what the Prime Minister said in 1998:

> Make no mistake, Saddam's behaviour to date indicates that he will not honour diplomatic solutions so long as they are not accompanied by a threat of intervention... Canada cannot stand on the sidelines in such a moment.

Will Canada today be counted with our American allies and go side by side with whatever they do in Iraq?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, what the Prime Minister has made very clear, and what all members of the House are familiar with, is that he and the government will act in the interests of this country when called upon to do so in any situation.

We continue to take a strong stand against Saddam Hussein and will continue to do so, but any future action will be determined in the interests of Canada and what Canadians should do.

Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance): Mr. Speaker, let me be very clear about what the Prime Minister said in 1998. He said:

> Saddam's determination to develop and use weapons of mass destruction, chemical warfare in particular, is well documented. Anyone doubting the serious character of the threat this man represents has only to recall how he turned these weapons against his own people.

If that was the government's view in 1998 when Canada supported American and British strikes against Iraq, why is it not the view of the government today?

● (1420)

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): As I said, Mr. Speaker, the view of the government today is that we have been working through the international mechanisms to constrain Iraq. This is something that has constantly been going on, not only with our American allies but with all our allies who are equally concerned with the situation in Iraq and who do not wish to see the Middle East or all of the world peace destabilized by this man or by any action that might be taken against him either.

Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance): Mr. Speaker, perhaps the Prime Minister is more concerned with the fight in his own cabinet than the fight against terrorism.

A few days ago Canadians were once again treated to the spectacle of the Prime Minister shooting from the lip on the world stage. On that occasion the Prime Minister decided to choose Moscow as a forum to announce his opposition to U.S. foreign policy on Iraq.

What did the Prime Minister hope to accomplish with those antics? How does he expect to be listened to in Washington on any issue when he continuously goes out of his way to criticize American foreign policy?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, I am proud of the discussions we have in our cabinet about this issue. A free and democratic society likes to have an open debate about issues and we rejoice in it.

I want to say as well that we have the respect of our American allies precisely because we are a free and democratic society. We discuss these matters with them as equals and will continue to do so.

* * *

[*Translation*]

KYOTO PROTOCOL

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Kyoto protocol provides that the countries which produce the largest emissions of greenhouse gases must make the biggest efforts. It is the polluter pay principle, a principle which the federal government refuses to apply in Canada.

Indeed, yesterday the Minister of the Environment said that the burden imposed by the Kyoto protocol must be shared equally by the regions of Canada.

Is the minister saying that Quebec, which has already done its share by investing alone in clean energy, will have to pay again for the negligence of those Canadian provinces which are polluting the most?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, the hon. member's question does not deal with the real issue.

We must consult with the provinces, including Quebec, before making a decision regarding ratification. We are not a party, we are not a government that, given the uncertainty and the concerns of the provinces, will act without consulting them.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, when the federal government imposed the social union, it did not consult Quebec. Consultations have been going on for ten years. Let me quickly remind the minister of the past.

While they developed Quebec's hydroelectric network alone, Quebecers paid for Alberta's oil, for Ontario's nuclear energy and for Newfoundland's Hibernia project.

Is the Minister of the Environment now asking Quebecers to pay for the mess made by others, even though we have already contributed?

[*English*]

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, I am in frequent contact with the provincial minister of the Quebec government on environment, Mr. Boisclair. We frequently discuss this. We had two meetings last fall. We will have a meeting later this week. We will have another meeting in May. There will be consultations no doubt in between.

What the government will not do is accept the hon. member's principle that decisions taken in past decades should somehow eliminate any reduction of carbon in the atmosphere now. We have to recognize the problem is now and decisions taken in the past, many decades ago, are not adequate to secure what we need.

[*Translation*]

Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ): Mr. Speaker, between 1990 and 1997, Quebec reduced its greenhouse gas emissions by 3% per capita, making it a front runner in this category.

The Minister of the Environment wants to have the cost of reducing greenhouse gas emissions shared by all the provinces. Will he tell us why those who, like Quebec, have already taken a step in this direction should now have to pay for those who have as yet done nothing?

● (1425)

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, the hon. member should know that, here in the House the Bloc Quebecois is not the government of the province of Quebec.

It is my duty as a federal minister to negotiate with all the provinces, including the province of Quebec. I will do so during the planned consultations, not just with the province of Quebec but with the nine other provinces and the three territories as well.

Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ): Mr. Speaker, the province of Alberta, which is the largest producer of greenhouse gases, is rich because of its oil. It has the lowest rate of taxation in Canada and the government was able to establish a heritage fund from oil revenues.

Why does the Minister of the Environment feel that Quebec should share the costs of reducing greenhouse gas emissions with Alberta, which finds itself facing a large bill precisely because of its use of oil? If Alberta is reaping tremendous benefits from oil development, why would it not also shoulder the consequences that go with it?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, I did not know that the Bloc Quebecois thought that all cars in the province of Quebec ran on electricity and not gas.

We have the same problem in all the provinces of Canada. Oil and gas use is producing greenhouse gases. The problem is the same in the province of Quebec as in all other provinces of Canada.

* * *

[*English*]

FOREIGN AFFAIRS

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, my question is for the Minister of National Defence.

The Prime Minister's position on U.S. sabre-rattling toward Iraq shifts depending on what late night call his office gets from the Bush administration. George Bush seems determined, come hell or high water, to proceed with a military intervention in Iraq.

Could the Minister of National Defence tell us whether discussions have been held between Canadian and American military officials about a joint operation in Iraq? Are there discussions underway about a military incursion in Iraq?

Hon. Art Eggleton (Minister of National Defence, Lib.): No, Mr. Speaker, not to my knowledge.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, the minister's eggnog will not wash down so smoothly this time. The last time the government ducked questions about a so-called hypothetical situation, the prisoners of war fiasco, the defence minister got caught in his own web of deception. No wonder Canadians are suspicious.

Again I want to give the minister the opportunity to tell the truth. Could he confirm that Canadian military officials have not been involved in any discussions with U.S. military regarding a military operation in Iraq?

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, the minister has already been very clear in answering that question. What is peculiar is that we have a party over there that wants us to be opposed to the United States even when it is right. We also have a party that wants us to agree with the United States even when it is wrong. Our job is to represent the interests of Canadians and that is what we will do.

* * *

GOVERNMENT LOANS

Mr. Chuck Strahl (Fraser Valley, PC/DR): Mr. Speaker, when the Liberals replaced the old DIPP with the new Technology Partnerships Canada in 1996, they promised to better manage and target industrial investment. However the record is: $140 million in funding announced before approvals were made; a repayment rate of 2.5% on almost $1 billion in outstanding loans; and 26 projects worth almost $400 million that were awarded secretly. That is hardly a record to be proud of.

How can the Deputy Prime Minister justify this program, which was supposed to end mismanagement, when in fact it has only made things worse?

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, the member is wrong. No investments were made through Technology Partnerships Canada without the agreement and approval of cabinet in advance. All amounts expended in technology partnerships are in the public accounts and available for all to see. My department will see to it that annual reports are filed and all investments are announced at the earliest possible opportunity.

Mr. Chuck Strahl (Fraser Valley, PC/DR): Mr. Speaker, it would be nice if there was an annual report. We have been waiting now for three years.

The Liberals say they want to target investment, but I never realized to what lengths they would go. Of the 107 companies that received technology partnerships loans, 55% found a way to donate to the federal Liberals. In the transitional jobs fund, only 5.4% actually donated to the Liberal Party and we know what a boondoggle that was. The technology partnerships program is 10 times worse.

I ask the Deputy Prime Minister, is the technology partnerships program the equivalent of a platinum card where Liberal membership has its privileges?

● (1430)

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, the technology partnerships program has been an important spur to investment innovation. It has made a real difference in companies and in communities across Canada since its inception. With less than a 1% failure rate, it provides capital to ensure that small and large businesses with good innovative ideas can bring them to market, creating jobs and prosperity. We are proud of the program and it will continue.

THE ENVIRONMENT

Mr. David Chatters (Athabasca, Canadian Alliance): Mr. Speaker, the environment minister has publicly estimated the cost of ratifying the Kyoto accord to the Canadian economy at $500 million per year. Industry estimates the same cost to be $4.5 billion per year.

Industry has produced its studies. Will the environment minister provide the House and Canadians with factual verifiable information to support his version of the Kyoto costs?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, as the hon. member should be aware, consultations with the provinces and with the industries concerned are ongoing. In that process we are developing a plan. The costs inevitably depend on which sectors of the economy will bear each proportionate burden.

The discussions are ongoing. Until they are completed, we will not have the type of single precise number the hon. member has talked about.

Mr. David Chatters (Athabasca, Canadian Alliance): Mr. Speaker, the government's first business plan to reach Kyoto was nothing but a vague wish list, a fraud in fact. The provinces do not believe it. Canadians do not believe it.

Why is the government hiding the real costs of Kyoto? When will the minister produce a real proposal so that we can have a real dialogue on the cost of Kyoto?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, the hon. member asks for costs. I would like to suggest to him and the other members of his party who come from Alberta what the cost of the drought is in southern Alberta now, which is one of those climate change related extreme weather situations. It is about $5 billion and they do not care. They simply do not care about that type of problem.

The fact is the world has joined together under the Kyoto agreement to try and deal with a global problem and that party wants to keep its head in the sand.

[*Translation*]

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, with regard to the environment, there is one fundamental and generally accepted principle: the polluter pays.

Why does the federal Minister of the Environment want to set aside this fundamental principle of polluter-pay in connection with the battle against greenhouse gas emissions in Canada?

[*English*]

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, we do not.

[*Translation*]

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, in 1997, the EU countries had already decided to share the burden of eliminating greenhouse gases.

Today, the minister speaks of consultations. Consultations, indeed. In Canada they have been going on for 10 years now.

Can the Minister of the Environment explain to us why his government has still not assumed its responsibilities by adopting a clear position on this?

[*English*]

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, the difficulty of handling the hon. member's question is that the question itself demonstrates the problem of his party.

We are dealing with some immensely complex issues. We have difficulties and concerns in the science and that is well documented by the debate that is taking place. In addition, it is one of the most difficult international agreements ever arrived at. To suggest that because there has been some discussion already there is no need for further discussion is simply folly.

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NATIONAL DEFENCE

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance): Mr. Speaker, on February 4 we asked the minister of defence directly to table the chain of command and reporting policy for significant incidents regarding JTF2. The minister replied "for reasons of national security I will not do that".

National security prevented the minister from sharing this document in the House of Commons, yet today the media quotes a senior source describing the contents of the secret document. Does the minister now believe that national security was breached by this leak of official secrets?

● (1435)

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, the JTF2 in its operations reports through to the chief of defence staff, who in turn reports to me. They have a very clear, defined mission. They have rules of engagement. They follow Canadian law.

If any of those things are violated, if there is anything out of the ordinary, then certainly I report that to the Prime Minister.

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance): Mr. Speaker, the leaked document claims that the Minister of National Defence is the only civilian who receives regular briefings on JTF2 and that it is up to him to inform the Prime Minister when he deems it relevant.

Is the leaked document not simply an attempt to clear the Prime Minister of any knowledge of prisoners under capture by JTF2 and fix all the blame on the Minister of National Defence?

Hon. Art Eggleton (Minister of National Defence, Lib.): Actually not, Mr. Speaker. The JTF2 were sent over there to help to capture the al-Qaeda, the terrorists responsible for the murderous actions on September 11. That was the purpose for which they were sent over there. They are continuing to do their job. As long as they do their job in accordance with Canadian law, then they are following the proper rules that have been set down by the government. I have the responsibility to the government and to parliament to make sure those rules are followed and report accordingly.

[*Translation*]

HIGHWAY INFRASTRUCTURE

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, before, during and after the election campaign, Liberal ministers and members of parliament strutted about making all kinds of promises regarding infrastructure in the regions of Quebec.

They made commitments totalling $3.5 billion, while the new infrastructure budget for Quebec is $500 million.

How will the Deputy Prime Minister fulfill the commitments made by his colleagues for expenditures seven times higher than the money actually available?

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, we will definitely fulfill our commitments by working with all interested parties, including provincial and municipal governments, which are discussing among themselves and with us the strategic priorities that will help build a very advanced country for the 21st century.

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, among other commitments, the Liberals promised to build highway 175 in the Saguenay region, highway 30 in the Montérégie, and highway 185 in the Lower St. Lawrence. These three projects would cost $1.4 billion.

How can the government seriously claim that it is being honest with Quebecers when these highway projects alone would require three times the amount in the infrastructure budget?

Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, indeed, commitments were made by the Liberal Party during the election campaign, and these commitments are now part of the government's agenda.

I would like to thank and congratulate all the members of the Liberal Party who worked hard to ensure that these issues are given proper priority.

What is happening is that members opposite are now realizing that, through the work of members of this party, we have developed tools to make sure that we can deliver. We will deliver and we will do so with the co-operation of all the provinces.

* * *

[*English*]

HEALTH CARE

Mr. Rob Merrifield (Yellowhead, Canadian Alliance): Mr. Speaker, in January the provinces gave the federal government an ultimatum. They set 90 days to agree to a dispute settlement mechanism or they would go it alone on health care reform. The clock is ticking—

Some hon. members: Oh, oh.

[*Translation*]

The Speaker: Order please. It is impossible to hear the questions of the hon. members when there is so much noise at the other end of the House.

The hon. member for Yellowhead has the floor, and everyone wants to hear his question.

[*English*]

Mr. Rob Merrifield: Mr. Speaker, the clock is ticking. The deadline is approaching. Are we any closer today than we were in January?

Hon. Anne McLellan (Minister of Health, Lib.): Mr. Speaker, I can reassure the hon. member that we are very close.

In response to a letter sent by the Prime Minister to the premier of Alberta, the Prime Minister indicated that he wanted his Minister of Health and provincial ministers of health to sit down and conclude our negotiations around a dispute avoidance and resolution mechanism. I can assure the hon. member that I have talked to my counterpart in the province of Alberta who co-chairs this project and we are moving forward.

● (1440)

Mr. Rob Merrifield (Yellowhead, Canadian Alliance): Mr. Speaker, the social union agreement which the minister helped negotiate is up for review this month. Real federal leadership would have called the provinces together for a national conference to achieve a dispute mechanism and to renew health care confidence.

Why has the minister not called for this conference? Where is the leadership?

Hon. Anne McLellan (Minister of Health, Lib.): Mr. Speaker, the Prime Minister and premiers provided leadership on the health care renewal file in September 2000.

As it relates to the dispute avoidance and resolution mechanism, officials and ministers are hard at work. We believe there will be a successful conclusion of these negotiations very soon.

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POST-SECONDARY EDUCATION

Mr. Lawrence O'Brien (Labrador, Lib.): Mr. Speaker, in an increasing global society we know that a good education is a key factor in our future success.

The launch of the skills and innovation agenda last week emphasized the importance of skills and learning for building a solid future. But many families face challenges in meeting the costs of education for their children. The Canada education savings grant program has been developed to help families meet this challenge.

Can the Minister of Human Resources Development tell the House how this program is working and whether it is helping Canadian families who need it?

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, through the Canada education savings grant the Government of Canada matches contributions up to $400 a year to help families save for their children's future education.

Yesterday in St. John's, Newfoundland I had the pleasure of meeting the Porter family, whose daughter Kristina received the billionth dollar of Government of Canada investment in her CESG account.

This $1 billion is matched by $5 billion saved by Canadian families. Now one in five Canadian children has a Canada education savings grant.

FOREIGN AFFAIRS

Mr. Svend Robinson (Burnaby—Douglas, NDP): Mr. Speaker, my question is for the Minister of Foreign Affairs who just a few months ago as chair of the foreign affairs committee joined in a call for the lifting of economic sanctions against Iraq.

I want to ask the minister will he make it very clear that Canada will not support any military action directed against iraq that does not have explicit United Nations authority? Will the Prime Minister tell George Bush that we will not follow him down his dangerous Texas gunslinger road to fight in a shootout against the axis of evil? Will he make that clear to Canadians?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, the hon. member will recall that he played a constructive role in the debates at the committee when we examined the application of sanctions against Iraq. An all party committee of the House sought to ensure that those sanctions would be effective in punishing the evil regime of Saddam Hussein and not punish innocent people in that country.

I can assure the member we will continue to work through the United Nations Security Council to make sure that does work. We will sharpen sanctions. We will make sure that they apply to the evildoers in the world and not the general population.

* * *

SOFTWOOD LUMBER

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, the trade minister knows we are not going to get a negotiated settlement in the softwood lumber dispute unless we sell out to U.S. economic terrorism. This means we have to look at interim measures to help our industry survive while the WTO process plays out.

The Export Development Corporation plan to help Canadian lumber companies is not working because most do not qualify for loans. The Liberal government just refused to relax EDC rules so more companies can qualify. The government has refused to provide an emergency aid package for laid off workers. Will the government at least follow the advice of the B.C. lumber trade council and pursue a suspension agreement on countervailing duties?

Mr. Pat O'Brien (Parliamentary Secretary to the Minister for International Trade, Lib.): Mr. Speaker, there were about three questions there.

Let me deal with the idea of a suspension agreement. That is an option that can be considered. There is wide consultation taking place right now with the provinces and with the stakeholders to weigh the possibility of such a suspension agreement.

The government remains very strongly committed to our two track policy: the discussions with the United States which are going on in Ottawa today and pursuing every legal option at the WTO.

* * *

CANADIAN CURRENCY

Mr. Scott Brison (Kings—Hants, PC/DR): Mr. Speaker, yesterday the Minister of Finance said in the House that Canadian currency will continue to be printed in Canada, yet he avoided addressing the specific issue of whether the banknotes will be produced on Canadian paper.

Will the minister assure the House and all Canadians that Canadian currency will continue to be produced by Canadian workers on Canadian paper made from Canadian trees?

● (1445)

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, as I mentioned, at the present time all Canadian banknotes are produced on Canadian paper. The new $5 and $10 notes are on Canadian paper. I also said that the Bank of Canada, to counter counterfeiting, is looking at technologies all around the world.

Mr. Scott Brison (Kings—Hants, PC/DR): Mr. Speaker, the minister yesterday cited security issues in the reasons why a foreign company was being considered to manufacture banknote paper for Canadian currency. However Spexel, the Canadian company that has manufactured our banknote paper for 70 years, uses the same technology used by Americans to produce the U.S. dollar.

If the Spexel process is secure enough for the U.S. dollar, why is it not secure enough for Canada?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, as I mentioned before, the Bank of Canada is simply looking at technologies around the world.

While I am on my feet, I certainly would like to congratulate the member for Beauharnois—Salaberry who has been very active on this file. He ensured that we met with officials of the company, and I would like to congratulate him on his continued interest in the file.

* * *

GOVERNMENT LOANS

Mr. Charlie Penson (Peace River, Canadian Alliance): Mr. Speaker, the Canadian Taxpayers Federation today issued another damning report to the government. It revealed gross mismanagement of $1.7 billion by Technology Partnerships Canada. The federation raised 17 critical questions about TPC in a letter to the industry minister.

The questions deal with suspect loan approvals, lack of accountability, March madness spending and the issue of a pathetic repayment rate.

Will the Minister of Industry assure Canadians that he will provide answers to these serious questions raised by the taxpayers association?

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, it is regrettable that the association did not speak to us in advance. We would have corrected many of the errors it made this morning and provided it with the facts, which include that in 1999 the auditor general took a very substantial look at the Technology Partnerships Canada program and concluded that due diligence was done in relation to all of the investments made.

The auditor general looked again last year at the Technology Partnerships Canada program and again found that it was well managed.

These are investments made for the good of Canadians. They spur innovation in the economy, and we shall continue to make those investments.

Mr. Charlie Penson (Peace River, Canadian Alliance): Mr. Speaker, I am not sure how effective speaking to the federation would be. It had to go through the access to information channels to get what it got. It found out that at least three TPC projects worth $149 million were announced before being approved. These projects required cabinet approval.

The tactic appears to have broken treasury board guidelines and the Financial Administration Act. It sounds like another Enron insider trading deal in the making.

Could the minister tell the House if the funding had not been approved by cabinet when the projects were announced? It appears that way. Was the timing simply designed to boost shareholder prices of those companies?

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, the only Enron conduct is by the opposition, taking nothing and leveraging it into something which it is not.

There was not a single investment that was made without cabinet approval. The federation is wrong about that. If it had bothered to check with us, we could have saved it the embarrassment of making that error.

* * *

[*Translation*]

CANADA LANDS COMPANY

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, the former vice president and director general of the Canada Lands Company, Michel Couillard, stated in a letter filed in court that he had been under unbearable pressure from former minister Gagliano and his chief of staff, Jean-Marc Bard, to extend some of their friends' contracts, including that of Robert Charest.

Will the Deputy Prime Minister tell us what Robert Charest's duties and functions were at the Canada Lands Company?

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, there is nothing new about the allegations contained in the letter produced by Mr. Couillard.

It is important to understand that Michel Couillard himself pleaded guilty in a case before the courts and that the letter was in no way linked to the issue of Mr. Couillard.

● (1450)

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, will the Deputy Prime Minister acknowledge that Robert Charest was hired by the Canada Lands Company at the insistence of Alfonso Gagliano and the Liberal Party of Canada, as a favour to Jean Charest, who had become the leader of the Liberal Party of Quebec?

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, I know that it is the Bloc Quebecois' practice to try to run election campaigns for their head office from here in Ottawa, but this is going a bit far.

* * *

[*English*]

INFRASTRUCTURE

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, Canada's big city mayors came to Ottawa to discuss their financial plight. The Minister of Transport acknowledged the crisis and admitted that the infrastructure funds of the last number of years were not the answer to long term, stable funding for the cities. The Minister of Finance on the other hand rebuked the Minister of Transport and offered no new solutions.

Why is the finance minister pitting the cities of Canada against the provinces of Canada?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, on behalf of all of my colleagues who met with the mayors yesterday, I have to say that the meetings were excellent and very informative. The discussions went very well. There is no doubt that our cities do require a new deal. They are in the front line of most of our social programs and they have shown tremendous initiative.

As a result of our meetings yesterday, there is no doubt about the commitment of the Government of Canada to furthering the social fabric of the country, especially as it is handled by our major cities and our smaller cities.

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, it seems to me this is a case of the Minister of Transport writing a cheque that the Minister of Finance minister will not cash. Canadians are taxed to death and they expect the three levels of government to work together so that services are provided efficiently.

Does the finance minister or anyone in this government have any vision or any plan for addressing this issue?

Hon. Paul Martin (Minister of Finance, Lib.): Absolutely, Mr. Speaker, and that was in fact the reason behind our meetings yesterday. I congratulate the Minister of Transport on an excellent meeting with his municipal counterparts who laid out a series of plans.

I would like to congratulate the Minister of the Environment. The fact is that doubling the green infrastructure fund shows this government's commitment to getting behind our cities as they clean up our air and the water we drink.

* * *

CANADIAN WHEAT BOARD

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, on February 15 the United States trade representative, Mr. Zoellick, announced that the United States would once again subject the Canadian Wheat Board to more harassment through the WTO by exploring anti-dumping and countervailing duty cases.

The United States has previously lost several challenges to the Canadian Wheat Board, and instead of this challenge it should look where the real problem is, that being United States trade policy that drives wheat prices down around the world.

What will the minister responsible for the wheat board do to protect the interests of farmers, and challenge the United States which has challenged us?

Hon. Ralph Goodale (Leader of the Government in the House of Commons, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, there was a lot of hype and hyperbole from the U.S. trade representative in his comments last week about the Canadian Wheat Board. However in the end, after a 16 month investigation by the U.S. international trade commission, the Americans could find no violation of any trade agreement and they imposed no specific trade remedy because they had in fact no basis in law or in policy to do so.

In 9 such proceedings over the past 12 years, the score so far is 9 to 0 for Canada.

* * *

BORDER SECURITY

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, right now 45% of Canada's 147 land border crossings are not wired to the Canadian Police Information Centre computer system. In other words, there is no way to quickly check licence plates coming into Canada at 66 of our land border points.

If the government is really serious about protecting Canadian sovereignty and Canadian citizens, how can it tolerate this serious security breach?

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, we are continually working with our counterparts around the world to ensure that we have appropriate measures in place at the border.

My hon. colleague brought up CPIC, the best database system in the world for policing in this country and is an envy to police forces around the world. We will ensure that information is available at the borders.

* * *

● (1455)

[*Translation*]

HEALTH

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, the Liberal government got its fiscal house in order by cutting provincial transfer payments, which went towards such things as health, education and income maintenance. This has had the effect of reducing its contribution to only 14 ¢ on every health dollar.

Will the minister agree that the government would do much better to put money back into the health care system rather than add to the number of national standards and play for time with the Romanow commission, which is just for show?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the member knows very well that his figures are all wrong.

Transfer payments to the provinces are at an all time high; this includes the Canada health and social transfer and equalization payments. They are at an all time high, showing our determination to protect Canada's health care system.

[*English*]

NATIONAL DEFENCE

Mrs. Elsie Wayne (Saint John, PC/DR): Mr. Speaker, my question is for the Minister of National Defence. Is there a formal document which names the Minister of National Defence as the only civilian eligible for regular briefings on the actions of Canada's special military forces in Afghanistan? If there is such a document, will the government table it in the House immediately?

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, as I indicated earlier, all the units, whether it is JTF2 or whoever it is who are sent abroad, go there with terms of reference, with rules of engagement, with instructions with respect to Canadian law and what they are allowed to do and what they are not allowed to do. I have the responsibility for that. That is quite clear. If anything out of the ordinary happens, I certainly report to the Prime Minister and to the government.

There has not been anything out of the ordinary. Those troops are doing their job.

* * *

[*Translation*]

NATIONAL CAPITAL REGION

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, this morning the Minister of Public Works and Government Services made an announcement in connection with the office leasing strategy for the national capital region. I congratulate him on this and invite him to share this information with the House.

I would also like to ask him whether he is prepared to review the borders set out by his department in order to avoid creating a no man's land, and to ensure balanced economic development of the national capital region throughout the entire NCR.

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I have the pleasure to inform the House that this morning I announced that two requests for information will be issued for the leasing of two government buildings in Ottawa. Each of these represents 20,000 meters of space and one is located downtown, while the other is in the eastern part of the national capital region. These are in addition to the two buildings on which I made an announcement in the fine city of Gatineau last week.

I am always pleased to re-examine the perimeters with hon. members, in close collaboration as always with the excellent member for Ottawa—Vanier. We are pleased to be renewing the infrastructure and contributing to economic upturn in the region.

* * *

[*English*]

BORDER SECURITY

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, the solicitor general could not answer the question I just posed a minute ago, so let me ask the parliamentary secretary.

There are 66 land border crossings in Canada that do not have access to CPIC. In other words, public security is being jeopardized by the government because it has not addressed this serious problem.

My question is this. How much longer do we have to wait before the government starts to take public security seriously and ensures that those border crossings have access to CPIC?

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, I can assure my hon. colleague that he does not have to wait any time. The Minister of National Revenue and I are certainly aware of the situation and we are dealing with the situation to ensure that security is put properly in place at the border. We are continually upgrading our systems, as we are continually upgrading CPIC.

* * *

[*Translation*]

FOREIGN AFFAIRS

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, the Prime Minister has just made public his misgivings about President Bush's intentions to extend the fight against terrorism to Iraq.

Will the Deputy Prime Minister confirm for the House that there is no question of Canada repeating the scenario that arose in the case of the Afghan prisoners and that there is no question of Canada changing its stand and obediently falling into line with whatever position the Americans adopt?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, as I have already told the House in this regard, the Government of Canada acts in the interests of Canada and of Canadians, and we will act in the interests of Canadians in the future. We are not reacting in the interests of others, but in our own, and that is what we will continue to do.

* * *

● (1500)

[*English*]

NATIONAL DEFENCE

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, my question is for the hon. Minister of National Defence. The defence minister stood in the House year after year and said that the Sea Kings would be replaced by the end of 2005. Everybody in the House and across the country knows there is not one supplier in the world through the split procurement process that can meet that deadline.

I would like to ask the Minister of National Defence one last time: when will the Sea King replacements arrive in Canada? What date?

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, we are moving as quickly as we can. It is our number one procurement priority. Before this year is out, we will know what the helicopter will be that will replace the Sea King.

Let me say that our Sea Kings are operating. There are in the Afghanistan campaign. They are doing yeoman service. In fact, in the case of the HMCS *Vancouver*, its particular Sea King helicopter has had 100% availability rate. Over 500 hours have been flown by the Sea Kings in this mission, and they are doing a terrific job with their crews.

* * *

FOREIGN AFFAIRS

Right Hon. Joe Clark (Calgary Centre, PC/DR): Mr. Speaker, the member for Halifax asked if there were current discussions about Canadian military action in Iraq. The Minister of National Defence replied, not to his knowledge. That is not to the knowledge of the only minister who is advised about task force activities in Afghanistan.

If the Minister of National Defence does not know whether there are discussions about military actions in Iraq, who in this government does know?

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, I said no when I was asked this question previously. There certainly are no formal discussions.

Does someone informally mention it one military officer to another? I do not know. Not to my knowledge. Certainly there are no formal discussions whatsoever, none.

THE ROYAL ASSENT

● (1505)

[*English*]

The Speaker: Order, please. I have the honour to inform the House that a communication has been received as follows:

Government House
Ottawa

February 19, 2002

Mr. Speaker:

I have the honour to inform you that the Honourable Jack Major, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy of the Governor General, will proceed to the Senate Chamber today, the 19th day of February, 2002, at 2.55 p. m., for the purpose of giving royal assent to a bill.

Yours sincerely,

Barbara Uteck
Secretary to the Governor General

A message was delivered by the Usher of the Black Rod as follows:

Mr. Speaker, It is the desire of the Honourable the Deputy to Her Excellency the Governor General of Canada that this honourable House attend him immediately in the chamber of the Senate.

Accordingly, the Speaker with the House went up to the Senate chamber.

● (1510)

[*Translation*]

And being returned:

The Speaker: I have the honour to inform the House that when the House went up to the Senate chamber, the Deputy Governor General was pleased to give, in Her Majesty's name, the royal assent to the following bill:

Bill C-7, an act in respect of criminal justice for young persons and to amend and repeal other acts—Chapter No. 1.

[*English*]

PRIVILEGE

STANDING JOINT COMMITTEE ON SCRUTINY OF REGULATIONS

Mr. John Cummins (Delta—South Richmond, Canadian Alliance): Mr. Speaker, the question of privilege is resulting from a letter entitled "Federal scrutiny committee most effective in Canada" published on page 5 of the February 18, 2002 edition of the *Hill Times* newspaper.

From the outset I make it crystal clear that I in no way want to criticize the exemplary services provided to me by the vast majority of staff at the Library of Parliament. However the author of the letter, François Bernier, who happens to be legal counsel for the Standing Joint Committee on Scrutiny of Regulations, takes sides in a political debate that took place at the February 7 meeting of said committee.

The topic of the debate concerned whether or not the Standing Joint Committee on Scrutiny of Regulations has been effective in carrying out its duties with regard to its 1997 finding that the aboriginal communal fishing licence regulations are illegal and the tabling of a disallowance report on the illegal regulations.

By writing a letter to the editor of the *Hill Times* newspaper the legal counsel for the Standing Joint Committee on Scrutiny of Regulations has interfered in what amounts to a political debate. It matters little whether he were advised by government members to write the letter on their behalf or whether he is merely adopting their position as his own personal opinion.

Mr. Bernier has undermined the confidence bestowed upon Library of Parliament staff assigned to committees. Any suggestion of partiality or partisanship by committee counsel automatically shows disrespect and amounts to contempt. Questions as to whether or not the Standing Joint Committee on Scrutiny of Regulations has been effective or not, or dragged its feet on its 1997 finding that the aboriginal communal fishing licences regulations are illegal and on its handling of the disallowance report on the illegal regulations, are political matters to be debated by members of parliament and not by committee staff on their behalf.

I would not want to infringe upon anyone's right to free expression. However, by sending a letter to the *Hill Times* using committee letterhead and signing it as general counsel of the committee, he has undermined his responsibility and duty to provide fair and impartial legal counsel to the Standing Joint Committee on Scrutiny of Regulations.

I would equate this to the impartiality we expect from the chairs of committees and the Speaker himself. Any partialities shown by the Speaker would provoke a motion to censure and would be considered a matter of privilege.

There are those in parliament who must remain impartial if we as members are to do our jobs effectively and unimpeded. My right as an elected member for the riding of Delta—South Richmond to fair and impartial legal counsel from parliamentary staff has been compromised by the actions of the legal counsel for the Standing Joint Committee on Scrutiny of Regulations.

Should you rule that there exists a prima facie question of privilege, I would be prepared to move the appropriate motion.

● (1515)

[*Translation*]

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ): Mr. Speaker, concerning the same question of privilege, I would like to add to the words of my colleague from the Canadian Alliance; however, I want to specify that we must in no way construe this as questioning the skills and intellectual honesty of Mr. François-R. Bernier, who is an asset for the Joint Committee for the Scrutiny of Regulations. His skills and impartiality have never been questioned.

I also read the article in the February 18 edition of the *Hill Times.* There is obviously a problem that you should deal with. When Mr. Bernier signed this article, he did so as general counsel of the Joint Committee for the Scrutiny of Regulations. We must make a distinction between the opinion of the reader and the opinion of the citizen who has the right to express it.

The point that I want to make is this. The role of the legislative general counsel must be neutral and free of any partisanship—as my colleague who spoke before me has mentioned—as must be the function of speaker that you are holding, Mr. Speaker. But we can also include the function of the clerk, of the library researcher and of the legislative counsel. As parliamentarians, we must receive free and independent advice from people who put political debates aside.

Political debates are held by elected members, here in the House. I would therefore like to join the previous speaker in asking you to deal with this issue.

[*English*]

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC/DR): Mr. Speaker, I would just add very briefly to this issue to reinforce the points that have already been made. It certainly does occur to me that there has been a lapse of judgment or perhaps poor judgment exercised in Mr. Bernier's involvement in the writing of a letter.

As was highlighted, the moment that he or anyone, for that matter House of Commons staff, invokes their position and puts it on a letterhead, I think it crosses into the realm of potentially exhibiting a bias political or otherwise that could be interpreted by the public.

The *Hill Times* is a very public document. I would suggest that the content of that could very much be interpreted as his taking a position that is either in line or out of line with any political party here.

I urge the Chair in its wisdom and in its capacity to look into this issue. It may in fact be a matter that should best be handled internally. I think the hon. member from British Columbia was certainly acting within his rights and his privileges by bringing this matter before the House, and I thank him for doing so.

● (1520)

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I also thank the hon. member for bringing this issue before the House. I have had not had the opportunity to read the letter in question.

Perhaps I could seek your advice on this matter. I would like the opportunity to review the letter, look into the matter and perhaps make a submission to you either orally or in writing at a later time.

The Speaker: That is satisfactory to the Chair. I have two questions for the member for Delta—South Richmond. I wonder if he could be more specific in assisting the Chair in which parts of the article is the question he objected to.

The article appears on its face, and I have just had a quick glance at it, to be one to correct errors in some previous article in the *Hill Times.* If it is more than that I would be interested in knowing because I am unaware of the work of the committee on the particular regulation to which he referred.

If so, which parts of the letter are the ones that he alleges are the ones that appear to breach in some way the privileges of the House.

Second, and I am not trying to confuse by asking two questions at once, could he tell us whether this issue has been raised in the committee? That might assist the Chair since the writer of the letter is the general counsel to the committee. I know the hon. member is a member of that committee. I just wonder if the matter has been raised there with the chair or in the full committee.

Mr. John Cummins: Mr. Speaker, to answer the second question first, the matter has not been raised in committee because the committee has not met. I understood that my obligation was to raise the matter at the first opportunity in the House, and I did so.

In discussing the letter in particular, the substance of the letter was the issue which was under discussion in committee. There was a question about whether or not committee was acting quickly enough and whether in fact letters were sent when direction was given. Those issues were discussed in committee.

There was some disagreement among committee members, as I am sure the Chair would understand, as to the expediency with which things took place, but that was the substance of the discussion in committee.

My view, and I think I expressed it quite clearly at committee, is that this matter was decided in 1997. The committee found that these regulations were beyond the law in 1997. I pointed out to the committee that in other matters which have gone to the Supreme Court of Canada the justices of the supreme court, especially in aboriginal matters, have suggested that the government must deal straight up with people, that it should not be seen to be dealing in a sharp fashion because the integrity and the honour of the crown was at stake.

I suggested to committee members that fishermen on the west coast understand this notion full well. They understand that these regulations have been questioned by the committee since 1997 and in fact have protested. People have gone to jail over this very matter.

The matter is not one without substance. That was the issue before the committee. The concerns that were expressed were that people, citizens, should have faith that their government is acting in an appropriate and proper fashion.

My view was that the committee was dragging its feet. It found that these regulations were illegal back in 1997 and here we are in 2002, many protests later, with people having gone to jail, with literally hundreds of thousands of dollars having been spent on court cases on the very issue of people are trying to protect their livelihood.

That is the debate in which the clerk has engaged in his response in the *Hill Times.* His responses would most appropriately be made or could have been made by members on the other side but should not have been made by an impartial participant or observer such as the committee chair.

Mr. Chuck Strahl (Fraser Valley, PC/DR): Mr. Speaker, I too was at the committee hearing when we moved to disallow those regulations. To support the hon. member's presentation, the discussion about whether or not people think this is a good idea is a political decision made by politicians. We can all weigh in to the debate in a public way about that.

I agree with the member that committee clerks or legal counsel should not be writing to the paper in what is an obvious attempt to win over public support when their job is to give legal or professional opinions to committee members and politicians of all stripes. They are non-partisan and non-political and very essential contributors to the debate.

I was one of the members to move that motion. One of the other things that prompted many of us to feel it was time to take this kind of a measure was not just the substance of which the member from B.C. has already made mention but also the timing. There is only a certain window when regulations apply. Otherwise the season starts, people start making ad hoc regulations that govern the Fraser River fishery and the timing of it is essential.

We brought it forward deliberately at that time in order to bring this to resolution because once the fishing starts in the Fraser River in my riding it takes on a life of its own. The lack of regulations or improper regulations or, I would argue, illegal regulations have no place when the courts have already said it is time to fix the rules and fix the law before we start bringing in the regulations.

● (1525)

[*Translation*]

The Speaker: I thank the members for their comments and observations. I do appreciate the advice I have received from both sides of the House.

I appreciate that the Parliamentary Secretary to the Leader of the Government in the House of Commons wants to have the opportunity to speak to this matter. I will allow a discussion on this at a later date, maybe tomorrow or Thursday, to give him the opportunity to reply.

[*English*]

Insofar as the hon. member for Delta—South Richmond is concerned, while I appreciate the issue he has raised and I am quite prepared to consider it in due course, having heard all of the arguments on it, I would urge him to bring the matter to the attention of the committee at his earliest convenience. In my view this is a matter that probably should be dealt with in committee but I will look at it from the point of view of the House.

The committee may want to take steps based on the submissions he has made here. I know he could repeat them in the committee of which he is a member. Those submissions, in my view, might be relevant to the privileges of the members of the committee who, after all, must carry on their work with the person who has written this letter and in whom he has expressed some misgivings as to his confidence in the ability of that person to continue.

Since the individual is working for the committee that clearly is a matter of considerable importance to the committee and one that he will want to raise there, I would suggest, at the earliest opportunity. I thank him for bringing this matter to the House.

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

ALLOTTED DAY—HEALTH CARE

The House resumed consideration of the motion.

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, I was saying that everybody deplores the fact that the federal government has been pulling out of the Canada social transfer. Provincial authorities met recently and they also deplore this situation. They are unanimous in saying that the fact that the federal government is backing away is having some very serious consequences and that they have to take action to maintain their health care system.

The problem is that the federal government wants to retain the national standards but is not keeping its promises. It was supposed to pay 50% of health care costs and the provinces had accepted those standards. However, since the deep cuts of 1993-1994, the federal government has been pulling back from its participation in the Canada social transfer to such an extent that it now pays only 14% of the health care costs, yet still wants to enforce national standards.

Therefore, the provinces find themselves in an untenable situation; the population is aging, the cost of medication is rising and research and new technologies are colossally expensive. Financially, the provinces are barely managing, but they still want to provide their citizens with all the services and the health care required. There is a real imbalance between Ottawa and the provinces.

It is often said that the opposition always criticizes anything that the government or its members have to say. It is said that we criticize their policies and that we have nothing else to propose, when all the provinces agree that the government has withdrawn funding. Jean Charest himself, who is not, as we know, a sovereignist, has already blamed the Prime Minister. On May 7, 1997, in a rare moment of conscience, he told the *Journal de Québec* that the premiers have to manage Ottawa's unilateral cuts. He said:

> We see this clearly, across Canada, and not just in Quebec, as some people would have us believe. The health care system has suffered massive cuts by this government. Blaming all the system's problems on poor decisions and mismanagement by the provinces is just plain bad faith.

In a September 22, 1998, press release, the Canadian Medical Association said:

> Federal funding cuts to health and social transfers to the provinces have been the main barriers for Canadians' access to quality health care and the cause of the greatest crisis in confidence in our health care system since the inception of Canada's Medicare program in the 1960s.

I could talk about the Canadian Health Care Association, or the members of the old National Forum on Health, who felt the need to expand on their recommendations.

The urgency is very real. Quebec society is being strangled by the federal government and it must fight back. If the federal government again refuses, as it probably will, to meet Quebec's demands, the only solution left will be to unite our citizens with those who believe, as we do, that Quebec will only truly come into its own when it has achieved sovereignty. For Quebec, sovereignty is the road to health.

● (1530)

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, I have a couple of questions for my colleague, who is the deputy finance critic for the Bloc Quebecois. She has been very much involved with health matters and I would ask the health minister to follow the debate.

Can she tell us why increased equalization is not the solution, despite what the intergovernmental affairs minister is telling the House? Could she also show us, and she could perhaps dedicate her answer to the Minister of Health, the impact of this fiscal imbalance?

Ms. Pauline Picard: Mr. Speaker, I thank my colleague from Hochelaga—Maisonneuve and I also congratulate him for the magnificent work he is doing as health critic for the Bloc Quebecois. I have worked with him lately on the standing committee that studied the new reproductive technologies. I want to take the opportunity afforded by the minister's presence to ask her to deal with the report on assisted human reproduction as soon as possible. We have been expecting a bill on this for years now. I thank you, Mr. Speaker, for giving me the opportunity to say these things.

The current government and its members often say that its contribution to health is not only 14%. We always hear the same arguments. They always talk about tax points and equalization payments. They add this to the percentage for the Canada social transfer.

I would like to elaborate on a few things. Tax points are not federal transfers for health care. As we know from all the studies that were carried out and from all the financial experts who reviewed the figures, the government had agreed to support the provinces and shoulder 50% of health care funding. It was mentioned earlier on.

Provinces made a commitment to maintain the standards and uphold the conditions set out by the government, but in 1993-94, the government reduced its contribution and nowadays it does not pay more than 14% of the costs, that is $14 for every $100 spent or 14¢ for every dollar spent. This is outrageous, especially given the higher costs faced by the provinces because of the aging population, all the new technologies and the cost of drugs.

Tax points have nothing to do with health transfers. In fact, they contribute to balance the tax positions in the federation, and this has nothing to do with the cash contributions under the Canada social transfer. The taxation power given under an agreement between levels of government is not to be considered a lifetime contribution to the tax revenues of one of the parties to the agreement. Tax points are not a federal government expenditure; they are not mentioned in the public accounts of Canada. That is what I had to say about tax points.

Moving on now to equalization payments, the federal government cannot use these payments to justify its withdrawing from health care funding. I have heard that argument twice already. I even heard the secretary of state talk about equalization. Let me remind him that equalization is totally different from other types of transfers and cannot be linked to the Canada social transfer. Equalization payments are unconditional and are simply added to Quebec's consolidated revenue.

So, his arguments do not stand. He should find other ways of denying that he is not even paying 14 ¢ for every dollar spent.

● (1535)

Hon. Anne McLellan (Minister of Health, Lib.): Mr. Speaker, I would like to take a few minutes to speak to the motion tabled yesterday in the House by the hon. member for Hochelaga—Maisonneuve.

[*English*]

Before returning to the specifics of my colleague's motion I would like to thank the hon. member for having raised this issue for discussion in the House today. I look forward to working with him on the Standing Committee on Health in the months ahead and all those who serve as critics.

The motion speaks to one of the great strengths of Canada's parliamentary system, that the House is one of our country's best forums to discuss issues that concern our citizens. It is not the only forum but it is one of the most effective and indeed one that can address concerns as they surface in the collective conscience of our citizens.

It is clear that real changes need to take place in health care but these changes cannot take place without open debate and discussion. More than just debating the matter in the House, we need other opportunities for vigorous and constructive dialogue in order that all Canadians have the opportunity to have their say.

I would like to address the issues raised directly by the motion: first, that our government has withdrawn from health care funding; second, that the federal government is attempting to invade provincial areas of jurisdiction; and third, that we are attempting to impose some kind of vision of health care on other levels of government.

● (1540)

[*Translation*]

These statements are totally false.

[*English*]

Health care is a priority for the government and we have shown it time and time again. Since balancing the budget, almost 70% of new federal spending has been for health, education and innovation. In support of the historic agreements reached by the first ministers in September 2000 on health care renewal and early childhood development, $23.4 billion in increased funding is being provided to the provinces and territories over five years. This is one of the largest single expenditures by any Canadian government in this country's history.

Of this investment, $21.1 billion is for the Canada health and social transfer, the CHST, and $2.3 billion is for targeted investments in medical equipment, primary care reform and new health information technologies. Provinces are receiving $2.8 billion more in CHST cash this year, bringing CHST cash to $18.3 billion. In 2002-03, that cash will grow to $19.1 billion, a $3.6 billion increase over 2000-01. By 2005-06, CHST cash will reach $21 billion, a $5.5 billion or 35% increase over 2000-01 levels. Total transfers to provinces, including the CHST and equalization, are growing to $45.3 billion in 2001-02, an all time high.

In addition, let me remind hon. members opposite of a further point relative to the first ministers' agreement of September 2000. The first paragraph of the joint communiqué underscored the respect for jurisdictional responsibilities. If I may, I would like to quote from that communiqué. It states:

> Nothing in this document shall be construed to derogate from the respective governments' jurisdictions. The Vision, Principles, Action Plan for Health System Renewal, Clear Accountability, and Working Together shall be interpreted in full respect of each government's jurisdiction.

Let us take a look at federal involvement in health care in Canada.

The federal role of medicare has long been misunderstood. Many assume that our role is that of a banker cutting cheques to pay for the system. This is but one role of many. In fact, we are involved directly in five key areas. We are a prime mover of health research and of reliable health information. We promote healthier lifestyles for Canadians. We deliver health services to aboriginal peoples. We contribute to global health. As well, we are leaders in renewing medicare. In addition to these five key areas, we are working to ensure that drugs and consumer products are safe, effective and regulated. It is important that we are clear about our role in each of these areas, so let me touch on each of them briefly.

First is the promotion of health research and the provision of sound health information.

We are privileged to be living in a golden age of medical research. From the unlocking of the human genetic code to dramatic breakthroughs in nanotechnology and a greater understanding of the determinants of health, our world is being transformed at a staggering pace.

This fact has not been missed by our government. That is why we created the Canadian Institutes of Health Research, or CIHR, headed by Dr. Alan Bernstein. This collection of virtual institutes is revolutionizing how health research is conducted in this country. The CIHR's work is rooted in teamwork and partnership. Each is at the heart of Canada's proud tradition of scientific and social science research.

We have made significant new investments in CIHR, in fact, $75 million in increased funding for its 2002-03 budget, a new annual total of $560 million. Through this investment, we will develop the knowledge, understanding and insight that we need to undertake a program of continuous improvements to our health care system.

● (1545)

An important corollary to research is health information. Through the Canadian Institute for Health Information, CIHI, Canadians can count on getting important information on how to maintain and improve their health, but CIHI's work does not end there. It is also providing Canadians with information on the health care system itself. With this information, shared with the provinces and territories, we will together renew our health care system.

Health information is about getting to the root issues of health care. It is about getting facts, reliable facts, the kind of data that will help make the system more accountable to Canadians, the kind of information that will help effect meaningful change in health care. In September 2002, we hope to table the first performance measurement report on health care.

The second key area of federal activity is promoting and protecting the health of our citizens. Whether it is nutrition information or tougher warnings on tobacco packaging, our work translates into helping our citizens live healthy lives.

Leaving aside the human cost incurred by disease and sickness, just imagine the savings we could realize in the health care system, the hospital beds we could free up, the tests and procedures we would not have to perform. We need to successfully cultivate a culture that makes the pursuit of health a public good and a private goal.

The third area for which the federal government has direct responsibility is the provision of health services to first nations and Inuit people. Just like the provinces and territories, we are undertaking a renewal process and we are facing similar challenges. Health professionals are in short supply and drugs are expensive, as are the technologies.

Just as the provinces and territories are wrestling with the pressures of delivering health care to aboriginals living in urban centres, the federal government addresses the challenges of delivering health care to those on reserves, often in rural and remote areas. That is why we are investing in programs to support early childhood development and in efforts to reduce the incidence and effects of fetal alcohol syndrome and to address sustainability challenges for the first nations and Inuit health care system.

Canada is a country with a unique global vision, and health care is among the issues that we are working to elevate to the international stage. That is the fourth area of federal activity about which I want to speak briefly.

We are working hard with other countries to develop a global vision of health issues to identify common goals and share common experiences. The tragic events of September 11 made many things clear to us. One of these is that all countries need to improve their surveillance ability, laboratory capacity, frontline responsiveness and stocks of necessary drugs. Canada needs to be prepared. That is why last year our government invested $11.5 million in measures to help improve Canada's ability to protect its citizens from any public health security crisis that may arise.

These measures, which will shore up our existing efforts, include the following: $5.62 million to buy antibiotics and chemical antidotes; $2.24 million for radiation detection and communications equipment; $2.12 million to establish a Canada wide network of laboratories equipped with the necessary materials to diagnose biological agents quickly; and $1.5 million for emergency response training for frontline staff, including laboratory managers, quarantine officers, federal occupational health officers and provincial emergency responders.

Let me speak to the fifth area of federal activity and that is of course the area in which we are a partner in the renewal of our medicare system. We heard recently from Roy Romanow's commission on the future of health care in Canada. It is clear that through its interim report the commission's work will generate public debate, and that is good. It is a debate that will allow all Canadians to participate in the shaping of the future of the health care system in this country. I look forward to these discussions, which will take place over the coming months.

● (1550)

I will not presume nor will I pre-empt the outcome of the commission's work, but in my view there are areas where the federal government and our provincial and territorial partners are acting now to modernize medicare. These include pharmaceutical management, primary health care renewal, health and human resources and information technology. I want to say a few words about each of these.

First, on pharmaceuticals, there is no doubt that we need to deal with the rising costs of pharmaceuticals. We need to determine whether the overall increase in utilization contributes to better health outcomes. A federal, provincial, and territorial agreement on a common drug review process is addressing some of these concerns and looking at new ways to share best practices in prescribing and utilizing pharmaceuticals.

With respect to primary health care renewal, the federal government has committed $800 million in a primary health care transition fund. This will help provinces and territories continue to build a primary care system of integrated health care teams.

With respect to health and human resources, we simply have to come to terms with the fact that Canada is competing for qualified doctors, nurses, technicians and therapists, not just with the United States but with countries around the world. We need to make sure that the revitalization of our health care system takes account of these new realities.

Finally, there is the importance of information technology in health care renewal. We need to continue to invest wisely, using technology as a tool so that we have the capability and capacity to address Canada's health care needs in the future.

As I indicated at the beginning of my remarks, the facts speak for themselves about the federal government's commitment to health care. We are committed to ensuring that it remains adequately funded and we are committed to ensuring that it is managed and administered responsibly and efficiently.

By continuing to work with our provincial and territorial partners, I have no doubt that we will achieve that goal. Whether it is sponsoring health research, generating reliable health information, promoting healthier lifestyles, delivering health services to aboriginal peoples, contributing to global health issues or modernizing medicare, our role in Canada's health system is vital, integral and unwavering.

[*Translation*]

I will say it again, our role in the canadian health care system is essential, complete and unchanging.

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, first I would like to wish good luck to the Minister of Health in her new portfolio. I have the feeling she is quite willing to work with all of us. I do hope though that she will be a little bit more flexible than she was with regard to the Young Offenders Act.

The minister is a friend of mine but at time she can be somewhat stubborn, and in politics this is not always to our advantage. She should follow the example I am setting as far as being flexible and willing to cooperate is concerned. Quickly, I have three short questions for her.

Will the minister agree that when she was elected, back in 1993, the federal government was contributing 18 ¢ for every dollar invested in health care? Currently, it is 14 ¢. At the first ministers' conference in August 2001, the premiers, regardless of their political stripes, asked that funding be restored the 1993-94 level, with an escalation factor. I hope that she will start her new mandate in the House of Commons by stating that she will commit in cabinet and elsewhere to acquiesce to this request.

Second, will the minister recognize that under the Constitution service delivery is a provincial responsibility? She is a constitutional law professor and her career was in constitutional law. It would be interesting to see her lecture notes and hand out materials if we could have access to them. I am asking her to make sure she does respect areas under provincial jurisdiction.

Third, and I will end on this point, during the weekend I read the Kirby report from the other House and I would invite the minister to read the part of the report dealing with the costs of drugs. They are skyrocketing. Will the minister agree that the Standing Committee on Health should review the whole issue of drug costs? In March, I will have the opportunity to make a proposal to this effect.

● (1555)

[*English*]

Hon. Anne McLellan: Mr. Speaker, I and this government respect the jurisdiction of the provinces. I think the hon. member was listening when I quoted directly from the agreement entered into by the Prime Minister and the premiers in September 2000 wherein it clearly stated that the renewal of the health care system would move forward co-operatively in partnership, but respecting the jurisdiction of the provinces and the territories.

The hon. member, if he is not aware, should know that since becoming Minister of Health I have made it plain that I want to work co-operatively with the provinces. I have said clearly and unequivocally that the provinces are the primary deliverers of health care in this country. They are on the front lines of the delivery of health care every day. It is my goal to work co-operatively with them to fulfill Canadians' objectives wherever they live, which is a high quality, accessible, publicly funded health care system.

In relation to the funding of health care, which was my hon. colleague's first question, let me say again that we have added substantial new cash to the CHST transfers going out to 2005-06; some $21.1 billion. In addition to that, we have put some $2.3 billion into specific targeted funds to help provinces achieve specific goals in relation to the renewal of their systems.

If the hon. member is suggesting that funding continues to be a pressure and that it will continue to be an issue around the sustainability of our health care system, of course it will be. I know that as well as anyone. My department is the fifth largest provider of health care services in terms of dollars because we are responsible for aboriginal first nations and Inuit health. I face many of the same challenges that my provincial and territorial health minister colleagues face.

I am not naive enough to come here today and suggest that funding is not a shared challenge for all of us. Of course it is. We know that. We will work in partnership with the provinces and the territories to ensure that we are able to sustain the system.

I think we have all acknowledged that the cost of drugs is a significant issue. The whole question of pharmaceuticals was part of the accord entered into by the Prime Minister and the premiers in September 2000. We are doing much common work together in terms of getting a handle on not only the increased cost of drugs but the utilization of drugs and whether we are actually getting sufficient benefit in terms of improved health outcomes for that increased utilization.

These are all very important issues for our health care system. I know I will have the opportunity to engage my colleague who cares very much about these issues both here on the floor of the House and in the Standing Committee on Health in the weeks and months ahead.

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, the minister has quoted from the accord adopted in September 2000 between the Prime Minister and the premiers of Canada. I would like to quote from a statement made by those same premiers in August 2001 and ask for her interpretation of this statement. Part of the statement reads:

> At a September 2000 meeting of First Ministers, the Prime Minister made an offer toprovinces and territories that included partial restoration of the Canada Health andSocial Transfer (CHST). While this September 2000 federal announcement was generallywelcomed as a first step and provided some short-term relief from the pressures facingprovincial and territorial governments, the measures taken fell considerably short of thePremiers' position.

The premiers went on to indicate that the current share of federal funding was 14% and set to decline and that it would be a minimal position for them to have the federal government start at 18%.

Does the minister accept the premier's interpretation? Are they right in terms of their assessment of federal funding? Does she acknowledge the difficulties posed for provincial governments in trying to keep pace with the demands on their health care systems? Does she acknowledge and is she considering their request for transitional funds to help meet the needs between now and the time that the Romanow commission reports in November 2002?

● (1600)

Hon. Anne McLellan: Mr. Speaker, I certainly acknowledge, as I did in response to my colleague from Hochelaga—Maisonneuve, that the provinces and territories are under pressure in relation to the financing of health care. As I have indicated, so am I in the delivery of that part of the health care system for which I am responsible.

I think that speaks to the importance of the renewal of our health care system. I am not one of those who believes that we necessarily start the discussion around the renewal of health care by demanding more money. We need to determine whether we are receiving value for the dollars that are being spent and whether there are things we can do in our health care system that not only provide better health outcomes but in fact provide us with cost savings.

If we look at one of the specific funds that we put in place, $800 million to help provinces move forward with pilot projects in relation to the renewal of their primary health care delivery systems, this speaks to an acknowledgement of the fact that we need to try new models of delivery, we need to see whether we are getting value for our dollars and we need to see whether there are efficiencies that can come from a refashioning or renewal of our primary health care delivery mechanisms.

Of course we are all under financial pressures. However, before we put more new dollars into our health care system, over and above those already pledged, we need to take a long, hard look at our system, which is what Romanow and others are doing, to determine where the money is being spent, whether we are getting value for that money and how we can move forward in terms of a comprehensive renewal of our system which speaks to its sustainability, not only in the context of affordability but in terms of its long term objectives and its acknowledgement of the fact that health care at the beginning of this century is different than it was even 30 or 40 years ago.

[*Translation*]

Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ): Mr. Speaker, first, I wish to inform the Chair that I will split my time with the hon. member for Argenteuil—Papineau—Mirabel.

I am pleased to address the motion of the Bloc Quebecois that was tabled by the hon. member for Hochelaga—Maisonneuve, which is adjacent to my riding. The motion reads as follows:

> That this House condemn the government for withdrawing from health-care funding, for no longer shouldering more than 14 per cent of the costs of health care, and for attempting to invade provincial areas of jurisdiction by using the preliminary report by the Romanow Commission to impose its own vision of health care.

This motion is of course a long one and it includes several words. However, it should clearly be stated from the outset that it has two objectives. The first one is to demonstrate how the federal government has, in recent years—and this is what I will attempt to demonstrate here—opted out of a service which, in the minds of Quebecers, is essential. How can we explain that the federal government has made such drastic cuts to its contribution to health in recent years?

I also want to discuss the whole issue of related provincial jurisdictions. As the hon. member for Hochelaga—Maisonneuve said earlier, it is rather surprising that the Minister of Health, who is herself an expert on constitutional law, does not understand once and for all that the recommendations of the Romanow commission, which deal among other things with provincial jurisdictions, are totally unacceptable. It is regarding this aspect that, in the ten minutes that I have, I will try to convince those who are listening.

Before getting to the core of the issue, it is important to go back in time to understand how this tax imbalance has its origin in Canadian history. As we know, way back in 1942, the provinces, including Quebec, willingly decided to take part in what was called the war effort by agreeing to transfer, in the case of Quebec, a number of tax points on a temporary basis. I insist on the term "temporary", because over the years, the federal government seems to have forgotten that this transfer was only for a particular time in our history, that is during the war.

At that time, the federal government assumed the right to collect personal and corporate income tax. No problem so far. The provinces, including Quebec, totally agreed to that until the war ended in 1945, when the time came for them to get these tax points back. The federal government said "No, we are keeping them. We are not giving them back to the provinces". It kept accumulating the money and refused to transfer the tax points back to the provinces as initially planned in 1942.

This is why, later on, Quebec introduced its own taxation system, which was considered double taxation, to be able to provide services to Quebecers.

At the same time, the federal government was passing an increasing number of legislative measures, particularly in the area of health. Let us not forget our history.

In 1957, the hospital insurance program was established. In 1966, the Medical Care Act was passed. From 1957 on, each time the federal government interfered in an area under provincial jurisdiction, Quebec reacted. Quebec passed its own legislation because we believe that health is a provincial responsibility. While the federal government passed legislation on hospital insurance in 1957, Quebec introduced a hospital insurance plan in 1961. While the federal government passed its Medical Care Act in 1966, Quebec introduced its own health insurance plan in 1970.

● (1605)

So, historically, Quebec has assumed its constitutional responsibilities every time. This being the case, the government decided to contribute to the health system by funding 50% of health costs. But there was a string attached. The federal government said: "You have to comply with the five principles of the Canada Health Act. So, we give you 50% but you have to respect certain principles, including universality, accessibility, portability, public administration and comprehensiveness". The federal 50% is conditional upon respect of these five principles, which are in the federal legislation.

Over time, as the years went by, we became aware that the federal government has never hesitated to cut its share of funding. Two programs were created: established program financing and the public insurance program, which evolved into the Canada health and social transfer. It is the principal federal contribution to health care, but also funds our post-secondary education system and what might be termed health and social services, welfare.

The problem arose when this real imbalance set in, when the federal government got out of funding. I would like to review a few figures.

In 1993-94, 22% of health care spending in Quebec came from the federal government. In 2005-06, it will be 13%. While the health care needs are in Quebec and in the provinces, while the provinces are required to provide services, and are prepared to fulfill their constitutional responsibilities, the federal government is taking advantage of a situation to tighten its purse strings and refuse to provide the funding required to respect the five principles laid out in federal legislation.

I would also like to remind the House that in 1983, 28% of Quebec's revenue came from federal transfers. In 2000-01, transfers account for only 16% of Quebec's revenue. The federal government's transfer contribution is shrinking yet the needs are growing and. more specifically, the Quebec government spends two-thirds of its budget on health care, education and social services.

We can try to predict, we can try to project and assess what share of spending will go toward education and health in 2010-11. We are forecasting that 85% of the Government of Quebec's budget will go to these three areas.

The needs are increasing, but the means to fund these services is diminishing. This is fairly curious, because in order to find a solution to this backing away from fiscal commitments, this tax imbalance, the government has nothing better to propose than creating a commission. It established the Romanow commission, whose recommendations included interfering in the provinces' areas of responsibility.

If the federal government wishes to solve the problem of health care for the provinces for once and for all, it has to provide the required funding. We must give the provinces the financial resources they need to provide services. Then, we will find solid and sustainable solutions to the health care problem in Quebec.

● (1610)

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I have a question for the Bloc Quebecois member. I will start with the problem we raised earlier this morning. My colleague from Winnipeg—Transcona emphasized that this motion was a bit weird and somewhat difficult to understand as far as the constitutional division of powers and responsibilities is concerned.

[*English*]

My French is not the best and I hope the member understood what I said. I would like to ask the member if the reason for the motion and the wording of it is more political than anything.

Certainly we would think that all Canadians, including Quebecers, want some accountability in terms of money that goes into health care. We are talking about scarce dollars and basing the statement on the knowledge that people are willing to invest more in health care, but they demand accountability.

It would seem from media reports that the sovereignist government is in trouble in Quebec. It may be choosing to fight its electoral future in the next provincial election on the health care issue.

[*Translation*]

This is what I understood from an article published in *Le Devoir* today. The journalist quoted Mr. Landry as follows:

> "When we talk about sovereignty, we talk about health", said Premier Landry at the opening session of the PQ national council meeting. He could have added "and the opposite is also true. When we talk about health, we talk about sovereignty".

[*English*]

Is that the reason for the motion? Is there not a sense in Quebec, as there is in the rest of the country, that we need a national system, that we need federal dollars and that we need some accountability over those dollars?

● (1615)

[*Translation*]

Mr. Bernard Bigras: I am glad to answer my colleague's question because she seems to assume that Quebec is the only province faced with the health care issue.

The fact that this is really a systemic problem proves that there is no connection with what she just said about sovereignty or anything else. There is an obvious funding problem in the provincial health care system.

To convince my colleague, it is estimated—and I urge her to take notes—that the shortfall in Quebec is $1.7 billion annually, and $875 million in health care alone.

Do you have any idea what that means in terms of doctor and nurse positions? This $875 million means that 3,000 doctors and 5,000 nurses could be hired to ensure that Quebecers can count on health care services that respect the five principles entrenched in the federal act.

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, I congratulate the member for Rosemont on his excellent speech. We hear more and more about the determinants of health. We hear that, to live longer, people must live in an environment that is conducive to their personal growth, an environment that is conducive to a healthy lifestyle.

I would ask my colleague to explain to us the correlation between longevity and the Kyoto protocol.

Mr. Bernard Bigras: Mr. Speaker, this is good timing since this issue is very much at the forefront. We have to realize that we must deal with the root causes of the problems we are experiencing in the area of health, which obviously include health care funding, but other problems also.

We have to understand that addressing issues such as climatic change and the reduction of greenhouse gas emissions in Canada will be beneficial to our health to finally understand that environment must be a priority. When 85% of Quebec's budget goes to health care, there is only 15% left for other budget items, including the environment, and that is totally unacceptable.

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, first, for the benefit of Quebecers and Canadians who are watching, I would like to say that today is the Bloc Quebecois' opposition day. My colleague, the member for Hochelaga—Maisonneuve moved this motion. It simply means that the Bloc Quebecois blames the Government of Canada, the Liberal government, for paying only 14% of health care costs, while trying to divert attention by creating the Romanow commission, whose mandate is to report on the state of the state of health care in Canada.

This is a diversionary tactic, and that is what my colleague tried to express in his motion. It is hard for those who are watching, for Quebecers, to understand this.

Every day in the House, we hear ministers, such as the Minister of Finance or the Minister of Health, tell us that the federal government is investing more in 2002 than it did in 2001. It is hard to understand, but it is possible to defend their position. Indeed, if we take the evolution of federal transfers in Quebec, in 2001-02, the federal government will invest $4.5 billion in transfers, all fields combined, in health, in education and in social services. The amount that will be allocated for health will be $2.35 billion, invested by the federal government or given in cash transfers for health care in Quebec.

In 2002-03, it will be the same amount. It is already planned. Agreements have been negotiated. We should remember that the federal government keeps boasting about a negotiated agreement with the provinces. It always boils down to the same thing: take it or leave it. The amounts have already been announced.

For 2002-03, it will be $4.5 billion; for 2003-04, it will be $4.6 billion; for 2004-05, it will be $4.8 billion; so it will be the same amount for 2002 and 2003. Two years in a row, the government will pay the same amount, namely $2.35 billion for health, or a little bit more than it paid in 2000-01, but a lot less than might be needed as a result of health care expenditures.

In Quebec, health care expenditures are increasing by $875 million a year. My colleague for Rosemont—Petite-Patrie gave a very articulate explanation of this earlier. It amounts to a 5% increase in the health care annual budget in the province of Quebec. In the other provinces across Canada, we see similar increases simply due to an aging population, longer life expectancy and the arrival of new drugs on the market. Governments are investing more and more money in health care.

Between 2001 and 2005—for the next four years—transfers to Quebec will only increase by $300 million while annual expenditures in health only will increase by $875 million.

Considering the way health care expenditures and federal transfers to the provinces are increasing, by 2004-05, the federal share will drop to only 13% of health care expenditures in Quebec.

The situation is the same in the rest of Canada. The government of Ontario has released an ad using pills to show what the governments are paying: 86 pills for Ontario and 14 for the federal government. It is the same in Quebec: 86% of health care is paid by the province and 14% by the federal government.

My learned colleague from Rosemont—Petite-Patrie showed that when medicare was established in Canada, it was half and half, 50-50.

● (1620)

Last fall, in Victoria, the premiers of all the provinces—including the PQ government of Quebec, the Conservative government of Ontario, and the Liberal government of British Columbia—made a unanimous request. They all requested the same thing: that the federal government increase its contribution from 14% in 2001-02 to 18%. Under the agreements the federal government is imposing on the provinces, it is supposed to drop to 13% by 2004-05. So, with this unanimous request, the provinces are urging the federal government to raise its contribution to health care funding from 14% to 18%.

What I find ironic is to hear the finance minister tell the House—and he may be partly right—that he is increasing the federal government's contribution, but it can never match the increase in health care costs. This is the harsh reality we have to face.

As I said earlier, in the next four years, the federal government will be increasing its transfer to Quebec by $300 million, while health costs will rise by $875 million a year, for a total increase of close to $3.5 billion. The federal government will only increase its contribution by $300 million, which means that its share of the funding will go from 14% of health costs in 2001-02 to 13% in 2004-05.

That is how the finance minister always manages to pull one over on Quebecers and make them believe that he is increasing the federal government's contribution. But its share of the funding can never match the skyrocketing health care costs, and that is normal. New technologies are developed, and new drugs are put on the market. People are living longer and that is a good thing for all Quebecers and Canadians. But still, the costs of health care are increasing by 5% a year, while the federal funding, all things being equal, will be decreasing if we do not urge the government to wait no further before making huge investments in Canadian health care services.

Today, in her speech, the Minister of Health told the House that she does not deny these figures. In fact, we have yet to hear a minister challenge that percentage of 14%. Even the finance minister never denied it. He just keep telling us "We are investing more this year than we did last year". True, they will keep making small increases, but health care costs will rise by 5% a year. That is how things stand. The federal government will hand out the money bit by bit, while the costs keep skyrocketing.

The minister candidly told us today that she has other fish to fry, that she has more than transfers to the provinces to deal with. Of course, she deals with prevention and research, at a cost of $580 million, and with information on food and on cigarette packages. She also deals with the health services provided to the first nations because, as she said, she is the one paying for the services provided to the first nations and the Inuit. She co-operates with other countries on research. She also deals with the renewal of health care in this country and with the Romanow commission. She deals with modernization and invests $800 million in the renewal of the basic system.

However, all this does not put any more money in the federal health care system or in each of the province's health care systems. These amounts are all spent for other activities, including research. It is all very good, but research yields results. New drugs and new technologies are being developed. However, there is nothing to guarantee that Canadians and Quebecers will have access to these new drugs simply because we are not being given any money to buy them. There is money for research, but none to buy the new drugs. This is what the Canadian government is doing.

Of course, they pride themselves on investing in the health care system. They say "Look, we are taking care of you". They are indeed taking care of us, but the funding for the universal system we used to have is being lavished on the Romanow commission.

I will repeat here the four preliminary recommendations to make sure that Quebecers and all Canadians hear them well. The choices offered by the Romanow commission are as follows. First, public investment should be increased, which means that more money should be invested in the medicare system. That would be normal. Second, costs and responsibilities should be shared, which leads to the adoption of user fees. They will look into the possibility of having Canadians pay user fees on top of income taxes. Third, the role of the private sector should be increased, which would open the door to the private sector. And fourth, the delivery of health services should be reorganized to try and make the system more efficient without putting more money in.

● (1625)

Once again, my colleague's recommendation is totally relevant. We condemn this government for contributing only 14% and for establishing a phoney commission whose recommendations will not help the sick men and women from Quebec.

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I will try again to ask a question in French. It may be possible that members of the Bloc did not understand the question the first time.

We, in the NDP, totally agree with the spirit of this motion, which states that we should condemn the government for withdrawing from health care funding, and no longer shouldering more than 14% of the costs of health care. We totally agree with that position.

The problem for us lies with the other part of the motion.

● (1630)

[*English*]

In particular, the part that says to blame the government:

> —for attempting to invade provincial areas of jurisdiction by using the preliminary report by the Romanow Commission to impose its own vision of health care.

We have a problem with that part of the motion because it raises two questionable ideas. The first questionable part of the motion is that the Romanow commission sets forth a particular direction in terms of federal-provincial jurisdiction when, as we talked about earlier, the Romanow interim report puts all options on the table and suggests that Canadians, including Quebecers, ought to express their views about the future of our health care system.

The other questionable part of the motion is that it suggests there is some vision being imposed by the federal government on the country. Our question today has been what vision? Where? That is the problem. We do not see a vision. It is sitting back letting our system become privatized, creating a patchwork of health care systems across the country without any sense of direction or plan for the future.

Is it not the case that Quebecers would, as would all Canadians, be concerned about having a say in terms of the future of our health care system, that they would want to see an end to federal-provincial feuding and that they would want to seek some co-operative approach that would lead us to solutions of the very problems that are emerging today?

[*Translation*]

That is the question I am putting to my colleague.

Mr. Mario Laframboise: Mr. Speaker, I will try to fully understand my colleague's question.

Obviously, from a constitutional point of view, it is clear that if the federal government had always paid 50% of health costs, as was agreed when the universal health care system was introduced in Canada, we would not be having this discussion today. That is the simple fact of the matter.

Obviously, all that Quebec is asking is this: "If you are unable to provide adequate funding for health care, as is now the case, give us back our tax dollars so that we can pay for it ourselves. Once again, you are unable to deliver". That is the sad reality of Canadian federalism.

The provinces are looking after health care and are doing a tremendous job. They have a problem of inadequate funding, and the federal government collects half of the taxes. More than half. We have had discussions with the Minister of Finance, who tells us: "Is it a little less than half, or a little more than half?" He should just give us back our taxes and we will look after health. There will be no constitutional debates or wrangling. All that we are asking for is the return of our tax dollars, the money that Quebecers pay in taxes to the federal government. All that we are saying is this: "Give us back these tax dollars and we will look after health. Things will be fine and we will perhaps get along much better".

But the federal government continues to keep our taxes—this is the reality—and to tell us: "We are going to send a commission across Canada to take another look at how the health care system could operate in Canada and in Quebec". In Quebec, there are no problems. We are able to talk. We had the Clair commission. We held our own discussions. We know what sort of health care system we want. All that we are asking is that the federal government give us back our money and worry about the rest of Canada. It is as simple as that.

[*English*]

Ms. Sarmite Bulte (Parliamentary Secretary to the Minister of Canadian Heritage, Lib.): Mr. Speaker, I will be sharing my time this afternoon with the member for Kitchener Centre, the Parliamentary Secretary to the Minister of the Environment.

I am pleased to have the opportunity to rise today to take part in the Bloc Quebecois opposition day motion, but I will not rise in support of the motion and condemn the government. In fact, what I will do is speak of the new and innovative ways in which the government is working with the provinces and the territories to improve our health care system. I will concentrate on talking about the dispute avoidance and resolution process that was talked about today during question period.

The Government of Canada is not interested in imposing its own vision of health care on provinces and territories. Clearly provinces and territories have the constitutional authority to manage and deliver health care in their respective provinces and territories. However the Government of Canada firmly supports Canada's publicly funded health care system, a system which ensures that all Canadians have reasonably timely access to appropriate health services, that Canadians are able to access these health services regardless of where they live and that access is based upon medical need and not the ability to pay.

Canada's universally accessible, publicly administered health care system is a cornerstone of the Canadian way of life. It is something of which Canadians are proud and speak with pride. In essence, medicare reflects some of what is best in Canada: a sense of community, compassion, and caring about each other's welfare.

These values also are embodied in the principles of the Canada Health Act, principles of universality, accessibility, comprehensiveness, affordability and public administration for insured hospital and medical services. These principles ensure that every Canadian receives the necessary hospital and physician services that they need.

In creating such a health care system, we have ensured that never again will any Canadian family be bankrupted because a member of their family is hospitalized or go without physician and hospital services because they lack the resources to pay for the care they need.

Canadians want to see their governments working together to ensure that their publicly funded health care system, which they so value, will continue to deliver the high quality services that Canadians have come to expect.

Members will recall that in September 2000, the first ministers responded and agreed to a health action plan. It was a proud moment in the history of the government. The government affirmed that the key roles of the publicly funded health system in Canada were "to preserve, protect and improve the health of Canadians" and ensure that Canadians had reasonable, timely access to an appropriate range of health services based on their needs and not on the ability to pay.

In support of that health action plan and the government's long term commitment to ensuring quality health care for Canadians, the Government of Canada committed to invest more than $21.2 billion toward health over five years. In addition to that sum of money, the health action plan also included $2.3 billion in federal funding to address jointly agreed upon priorities of upgrading hospital and diagnostic equipment, of better access to doctors, nurses and other frontline health practitioners and of making better use of information and communication technologies.

After the health action plan, this commitment was reaffirmed by the Government of Canada in the 2001 Speech from the Throne. This funding was fully protected in budget 2001 despite the economic slowdown and we will see the federal contribution to health care reach an all time high this year.

As well, this September, for the first time, as a result of the health action plan of the first ministers, governments will report to Canadians on health system performances. This will be achieved by governments using a common set of indicators. The report is a significant move by governments toward improved accountability to their citizens on how their health dollars are being spent.

● (1635)

Governments are working together to ensure that the Canadian health care system will be sustainable in the future. Canadians expect to have timely access to high quality health care today as well as tomorrow. Canadians want their governments to work together to protect and strengthen their health care system.

The Government of Canada is committed to working collaboratively and cooperatively with the provinces and territories in developing a common vision of health care. This has been demonstrated by the first ministers' agreement on a health action plan and continues to be demonstrated in the development of a Canada Health Act dispute avoidance and resolution process.

The Canada Health Act establishes national standards related to insured health care services that the provinces and territories must meet to receive full payment under the Canada health and social transfer.

There is considerable flexibility under the Canada Health Act for provinces and territories to manage and deliver their own health insurance plans. The Government of Canada recognizes that one potential area for intergovernmental disagreement is the interpretation of the Canada Health Act. We are working with the provinces and territories to develop a dispute avoidance and resolution process for the act.

The conception of a Canada Health Act dispute avoidance and resolution process began in February 1999. The Government of Canada, nine provinces and the territories agreed on a new framework to strengthen Canada's health and social programs to better meet the needs of Canadians.

In the spirit of mutual respect and cooperation the Government of Canada signed the social union framework agreement with the provinces and territories. This agreement committed governments to work collaboratively to avoid and resolve intergovernmental disputes while respecting the legislative provisions of the governments involved. The section of the framework related to dispute avoidance and resolution, and provided guidelines for the development of the process in the areas of intergovernmental initiatives.

It was agreed that the dispute avoidance and resolution framework would apply to intergovernmental commitments on mobility, intergovernmental transfers, the interpretation of the Canada Health Act principles and, as appropriate, on any new joint initiatives between the federal government and the provinces and territories.

Work on the development of a Canada Health Act dispute avoidance and resolution process was initiated when the conference of ministers of health met in the fall of 2000. This collaborative work is to result in a process that is consistent with the commitments made by governments in the social union framework agreement while respecting the federal government's obligations under the Canada Health Act.

Since then the Government of Canada and the governments of Alberta, Saskatchewan, Ontario, and Newfoundland and Labrador have been working together to develop a process that is appropriate to addressing intergovernmental differences related to the interpretation of the Canada Health Act principles.

All governments have committed to support the principles of the Canada Health Act and to work in partnership to protect and strengthen our publicly funded health care system. Governments are striving to develop a mechanism that is simple, efficient and transparent. Cooperating and working in collaboration to both avoid and resolve intergovernmental differences is in the best interests of all Canadians. However, the best way to resolve a dispute is to avoid it in the first place.

It is important for a Canada Health Act dispute avoidance and resolution process to have an appropriate balance between avoidance activities and dispute resolution activities. This is a balance that the Government of Canada is working to achieve in collaboration with the provinces and territories.

The Government of Canada believes that it can reach an agreement on a Canada Health Act dispute avoidance and resolution process. The federal government is working diligently with the provinces and is making steady progress. A Canada Health Act dispute avoidance and resolution process can be achieved if governments continue to work together in the spirit of collaboration and co-operation.

● (1640)

All governments are committed to adhering to the principles of the Canada Health Act. These principles represent a common vision of a publicly funded national health care system which all governments share. Governments can best strengthen and preserve medicare by preventing and resolving Canada Health Act disputes in a fair and transparent manner. Canadians expect and deserve nothing less.

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I would like to ask a question about the dispute resolution mechanism that members of the Liberal Party have been raising throughout this debate. I would like clarification about the use of such a mechanism because it has been raised in the context of alleged dereliction of duty or an alleged breach of the Canada Health Act in cases where there may be a clear cut and dry breach of the Canada Health Act.

In cases where the infraction is clearly a breach of the Canada Health Act and the government has felt reluctant to act because of the pressure of a provincial government, let us say Alberta, is it the decision of the government to enforce the Canada Health Act and thereby lever the provisions with regard to funding in order to do that? Or, is it the decision of the federal government to institute or begin a process of dispute resolution which may prolong a provincial dereliction of duty in this regard or prolong an infraction under the Canada Health Act?

The Roy Romanow commission listed that concern in its interim report. This mechanism could become a way in which to avoid dealing with the serious issues we have in front of us and that fall in the grey area of the Canada Health Act. Would the hon. member care to comment on that?

● (1645)

Ms. Sarmite Bulte: Mr. Speaker, I thank the hon. member for her question. One of the first things we must realize and what is important to accept in this dispute resolution process is that the process itself balances avoidance activities and dispute resolution activities.

I must tell members that when I first heard about this dispute resolution process I was surprised it had taken us so long to come to this point. I have practised law for many years. Having been a litigator and involved in litigation for many years it was not until the latter years of my practice that we developed an alternate dispute resolution system in Ontario. It took the burden off the courts and forced the parties to the table to negotiate. Before there could be litigation the parties had to sit down with the ADR, as it was called in Ontario, and go through the process.

We have forced parties to the table at a much earlier time instead of prolonging the litigation. That successful example has been implemented in the Sports Canada program and the different sporting associations where there were problems with athletes related to doping charges or allegations on whether they qualified at a certain time. This now must go to the dispute resolution system.

This is the way of the future. This is what brings parties to the table instead of litigating and throwing accusations back and forth and having wonderful shots in the papers attacking the federal government or the provinces saying there is no co-operation. We are forced to come to the table. This is a specialized system which, as the Minister of Health said today during question period, we are close to bringing forward. It is a great advancement that is long overdue.

Mrs. Karen Redman (Parliamentary Secretary to the Minister of the Environment, Lib.): Mr. Speaker, it is indeed a pleasure to rise today to speak to the opposition motion regarding the health care system.

I do not think there is a single issue that I have heard more about since I came to the House in 1997 representing Kitchener Centre. We on this side of the House welcome this opportunity to debate with the opposition on something that is so important to all Canadians.

We recognize the very high priority that Canadians place on our health care system. It makes me very proud to remind the members opposite that the government places that same priority on Canada's health care system. Let me remind the opposition of a few key facts about health care in Canada.

First, overall health care spending reached $102.5 billion in 2001. That is equivalent to 9.4% of our gross domestic product. Let me point out that this is quite in line with other OECD nations. There has been a great deal of rhetoric about the rapid growth rate in spending on health care in Canada. As a nation we are spending virtually the same proportion of our GDP on health today as we did a decade ago. Public investments in health care have remained stable as a proportion of GDP as well. Clearly we are not falling behind. More important, our health outcomes, measured by indicators such as life expectancy and infant mortality rates, are among the very best in the world.

It is important for us to recognize that over the past 25 years health care spending in Canada has shifted. In 1975 hospital services accounted for 45% of total health care expenditures. Now this sector represents 31% of total spending. This shift can be attributed to advances in technology such as diagnostic tests which can now be provided outside of the hospital setting. The majority of surgery is conducted on an outpatient basis rather than requiring lengthy hospital stays, as was previously the case.

As well, 27 years ago spending on drugs accounted for 9% of total health care spending. It now rests at 15%. Why? There has been an increased utilization of drugs and we have seen a rapid introduction of new drugs that can offer treatment for a great many conditions.

Any way we cut it, health care is an important issue for Canadians. Canadians are telling us that they are concerned about how long they wait to see a doctor when their child is sick, about how long an elderly patient will wait for space in a long term care facility or about how Canadians in rural and remote areas of our country will receive the care they need when they need it.

Canadians are also tired of having their governments pointing fingers at each other and bickering over health care. Canadians want their governments to work together to ensure that they will have the access to the care they need when they need it and where they need it. That is why we are working with our provincial and territorial counterparts on difficult issues with respect to health care. This is best exemplified by the first ministers agreement on health which was reached on September 11, 2000.

Let me remind the opposition that all premiers and territorial leaders agreed with our Prime Minister on a common vision for health care for Canadians. They also agreed to work together to support our health care system and to address key priorities to renew health care services. For these same reasons, in April 2001 the Prime Minister announced the commission on the future of health care in Canada. The work of the commission builds on a consensus regarding health care that was reached back in September 2000. It is from this basis that much collaborative federal, provincial and territorial work has indeed been undertaken.

In support of the September 2000 first ministers agreement and the priorities identified by those first ministers, the Government of Canada committed $21.1 billion in new cash in the Canadian health and social transfer over five years, beginning in the year 2001-02. This additional funding consists of an $18.9 billion general increase to the CHST in support of health and $2.2 billion in targeted funds for early childhood development initiatives.

● (1650)

In addition to increasing the CHST, to encourage and facilitate health care renewal in the provinces and territories the Government of Canada in September 2000 made significant investments in three targeted areas reflecting the agreed priorities: $1 billion over two years for medical equipment; $800 million over four years for the Primary Health Care Transition Fund which will accelerate and broaden primary health care initiatives across the country; and a $500 million fund to support, through an independent corporation, investment in information technology and communications such as electronic patient records.

In a past life I sat on a district health council representing regional and municipal governments. These are exactly the kinds of initiatives we at the grassroots level recognized as being in need of attention and funding. The government is following through with leadership as well as dollars.

Since the first ministers' agreement in September 2000 we have accomplished a great deal in several key areas such as pharmaceuticals and health information technology. The Government of Canada together with the provinces and territories reached an agreement on a common drug review process and new approaches to prescribing and improving the utilization of pharmaceuticals. Canada Health Infoway Inc. has been created and work is proceeding to develop electronic patient records and other innovative information technology applications.

In other areas such as primary health care and accountability, work is progressing in conjunction with our provincial and territorial partners. The continuing work on the health care system, based again on our agreed priorities, will renew and rejuvenate our most important national program which, as my colleague from Parkdale—High Park said earlier, helps define us as a nation.

What do all these facts and stories of collaborative work really mean for Canadians? They show that health care is a national Canada-wide issue and needs to be treated as such. They underscore that the first ministers' agreement of September 2000 was a joint endeavour agreed to by all premiers which continues to motivate collaborative work and renewal of health care. They prove that money alone could never ease the challenges the health care system faces. Perhaps most importantly, the first ministers' agreement demonstrated the will of all jurisdictions to work together to move forward on the renewal of the health care system. This is in the interest of all Canadians.

ROUTINE PROCEEDINGS

● (1655)

[*English*]

COMMITTEES OF THE HOUSE

FISHERIES AND OCEANS

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, following discussions among the parties I think if you were to seek it you would find unanimous consent for the following motion. I move:

That the Standing Committee on Fisheries and Oceans be granted leave to travel from March 12th to the 20th, 2002, to Boston, Massachusetts, Nova Scotia, Newfoundland and Labrador, and Quebec, to continue its studies on the Canadian Coast Guard's Marine Communications and Traffic Services, aquaculture and fisheries issues, and that the necessary staff do accompany the Committee.

The Deputy Speaker: Is there unanimous consent for the parliamentary secretary to put the motion?

Some hon. members: Agreed.

The Deputy Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

ALLOTTED DAY—HEALTH CARE

The House resumed consideration of the motion.

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, I am pleased to speak today on the motion introduced by my colleague, the hon. member for Hochelaga—Maisonneuve. I want to congratulate him for taking this initiative. Here in Canada, it is time we knew what is really going on.

This motion reads:

That this House condemn the government for withdrawing from health-care funding, for no longer shouldering more than 14% of the costs of health care, and for attempting to invade provincial areas of jurisdiction by using the preliminary report by the Romanow Commission to impose its own vision of health care.

In the Bloc Quebecois, I am the critic for regional issues. I am very proud to tell you what this government is doing with respect to our regions. I want to take this opportunity to confound those who are using double speak and travelling throughout the regions of Quebec, trying to make us believe in the Bogey Man.

The facts are there. Since 1994, the Liberal government has cut $6.3 billion in provincial transfer payments for health, education and social programs. Of this amount, Quebec has suffered a cut of almost $2 billion, including $1 billion for health alone.

It is because of these cuts that the federal government was able to accumulate enormous budget surpluses. It is not thanks to the accounting abilities of the Minister of Finance, Mr. Flip-flop. It is easy to manage a bank when you only accumulate deposits without providing any financing.

Quebec is not the only province that is demanding to be reimbursed. All the provinces are united on this. Indeed, at a provincial health ministers' meeting in 2000, they had agreed to ask the federal government to increase its transfers to the provinces by 5%.

In August 1998, provincial premiers demanded that the federal government reimburse payment transfers taken since 1994. They demanded $6.3 billion from the federal government. Of this amount, Quebec's share is $1.8 billion, including $1 billion for health alone.

Even Jean Charest, the current leader of the Liberal opposition in Quebec City, agrees with Quebec's request. Here is what he said on May 7, 1997:

> Forget about Lucien Bouchard and Jean Rochon. The person really responsible for the hospital closures and the deterioration in the health care system is the leader of the federal Liberal Party. Mr. Bouchard, Mr. Harris, Mr. Filmon, Mr. Klein, and all the other premiers, are forced to manage unilateral cuts.

I hope that I will not have to get out my dictionary to explain the meaning of the word unilateral. I think that those listening know what it means. I hope that the government does. It is fairly clear.

It is therefore rather pathetic to note that, on September 25, 1993, the Prime Minister of Canada said, and I quote "Our program does not include any plan to cut payments to individuals or provinces, it is clear and it is in writing". He was talking about health. He said "Just like for the GST". Need I say more?

One year later, the Minister of Finance, Mr. Flip-flop, had this to say "The next federal budget will contain deep cuts in funding to the provinces for health, social assistance and education". Talk about talking out of both sides of one's mouth and quickly forgetting election promises. Less than one year later, the Minister of Finance said the exact opposite of what the Prime Minister had said. This does not surprise me. In the House, they do the same. It is a bit like the Tower of Babel.

● (1700)

Quebec is therefore out of $1 billion for health care. I would like to say a word of the impact on Quebec and its regions. This cut represents 20% of the costs of all Quebec hospitals, the closure of half the hospitals in the Montreal area, the hospitalization costs of 370,000 patients, the payroll of half the nurses in Quebec, the cost of all CLSCs or twice the cost of all services for young people. That is the impact of this cut. And they have the gall to say that we have lots of money, that we are rich. The federal government does not have to provide services. We do.

The federal government passes a bill, sets principles, and we have to obey. It does not have to take responsibility. We have to abide by the principles and spend the money, but it does not care about the grassroots. Our listeners should know—I hope the government does—that the regional board, or Régie régionale, in my area of Saguenay—Lac-Saint-Jean has released reports showing that the number of people who will soon retire is increasing.

Their numbers keep going up. We know that when we get older, there are health problems and special needs, and health care gets more expensive. This is the impact of a longer life, and we cannot help it. There is a minor ailment one day, and another one the next. But we need resources to provide care to those with health problems.

I will give a list to show what the $1 billion cut by this government could allow us to do in my own region, and more precisely at the Jonquière hospital. My own area, which represents 3.8% of the population of Quebec, receives $360 million from the Government of Quebec to manage the health care system. Now, 3.8% of $1 billion represents an extra $38 million. For example, this amount would allow us to double the budget of the Jonquière hospital, which is between $34 million and $35 million. This gives an idea of how much more services we could provide to the people in my region.

Here are other figures. The Mauricie—Centre du Québec represents 6.2% of the population of Quebec. Now, 6.2 per cent of $1 billion equals $62 million more for hospitals, local community service centres and child and youth centres in that area. These are only examples, but the figures are realistic. They are based on scales, which are presently on the table. This is what is happening at home and this is why people talk about prophets of doom. Federal Liberals or provincial Liberals from Quebec travel throughout the regions, saying "It is your fault if there are cuts in health care and if the system is not well organized". People in my region and throughout Quebec will not be fooled by those who talk from both sides of their mouth. They are the ones to blame.

They should give us back money they took from us. Let us not forget that ultimately there is only one taxpayer. They should give us back the funds they had promised to give but have cut since 1993. They should give us back the missing $1 billion and we will no longer have problems. Finally, this government will give regions the money they are owned.

They must finally see the light and recognize that health is important. I believe that we no longer have the choice: health is an important thing.

● (1705)

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, it may be my last question today, so I will try to take full advantage of it. First, I want to thank the member for Jonquière. She has been a very wise critic, for our caucus, with regard to the reality of regions.

I think that it is important, particularly for Montrealers. People sometimes have a tendency to forget that we do not always face the same reality. I have two or three brief questions for her.

First, does she agree with me that, if we had to identify one area that our fellow citizens see as a priority, it would definitely be health care? Does she agree also that the government has not been very responsive to the needs of regions? I am sure that the member, even doing her best, could not name three government members who have been sensitive to the reality of regions. We have a government that has neglected the regions. This a fact that cannot be denied.

First, could the member explain to us why it is important that the health care system provide services that meet the particular needs of regions?

Second, does she agree that the Romanow commission is a waste of time?

Why is it a waste of time? Because I have here a document that shows that seven out of ten provinces have already had task forces on this issue. In Quebec, it was the Clair commission. In Alberta, it was the Mazankowski commission. Seven out of ten provinces have already analyzed the emerging trends and the major changes that will occur in our health care system.

Does the member agree with me that the Romanow commission is indeed a total waste of time?

I would also like the member to give us her assessment of the work done by the member representing the riding next to hers in defending Quebec's interests.

Ms. Jocelyne Girard-Bujold: Mr. Speaker, I will be happy to reply to the three questions put by my colleague from Hochelaga—Maisonneuve.

Yes, health is the top priority in Quebec. It should also be this government's priority. Even if you are a millionaire, when you have health problems, you feel defeated and you would like to recover your health at any price. Therefore, I do think it is important to invest generously in health care and in prevention measures to maintain health.

I also answer yes to the question concerning the Romanow commission. Investing in this commission is useless. In my region, I often meet the people from the Régie régionale de la santé. Studies have been made. The Quebec government carried out studies. There was the Clair commission. The Quebec government said it would implement the commission's recommendations. We are putting all that forward. This is a rehashed commission. The government could invest this considerable amount of money in health; instead, it uses it to please a friend of the party. Mr. Romanow must certainly be a close friend of the Liberal Party, and that party always returns favours.

We have gone beyond that. We have reached a point where what we say is that, for health, the money owed to the provinces has to be given back to them. The federal government has to put money on the table so that provinces can finally have what they need to provide services to the population.

The member for Hochelaga—Maisonneuve has asked me a question regarding my colleague from Chicoutimi—Le Fjord. I hope that he is working in the same direction as I am, because I am working for the well-being of my region. I certainly hope that he is doing the same thing, because there cannot be too many people working for the regions.

It is a known fact that this government does not know the regions, for example the Saguenay—Lac-Saint-Jean region. For the government, the regions are Montreal, Quebec City, the maritimes, Ontario and Western Canada. As far as I am concerned, my region is the nicest region in the whole of Quebec and I would even say of Canada. I hope that the member for Chicoutimi—Le Fjord is doing the same thing as I am; I hope that he is putting all his energy into convincing the federal government to give $1 billion back to Quebec so that the health system will work properly and meet the needs of those who are ill.

● (1710)

Mr. André Harvey (Parliamentary Secretary to the Minister of Transport, Lib.): Mr. Speaker, first I want to congratulate my colleague for her speech. Rising is already a sign of goodwill.

As for knowing whether I subscribe to the causes she is promoting, I will say it is rather the reverse. Regarding the issues I am championing in the area of aluminum processing, highway 175, day in and day out she rises in the House to ask questions. Every day, she rises in the House pretending to be doing something about it. While she has been sending post cards, we in the federal Liberal caucus, the Quebec caucus, we have prepared a specific infrastructure program that will allow us to choose projects dear to us.

I want her to know that highway 175 is an extremely important project—

Mr. Bernard Bigras: Mr. Speaker, I rise on a point of order.

I would ask you to use your authority to call the member to order. I believe it is important today for us to speak to the fundamental issue of health care. I would like our colleague to get back to the topic of the motion.

The Acting Speaker (Mr. Bélair): Order, please. Since we have one minute left, I will give the floor to the hon. member for Jonquière so she can answer the hon. member for Chicoutimi—Le Fjord.

Ms. Jocelyne Girard-Bujold: Mr. Speaker, I will repeat my words of the other day. The hon. member for Chicoutimi—Le Fjord was in the House when I said I would not stoop to his level.

My region is important. Everything that affects my region is important. I am prepared to shake hands with anyone who will work on behalf of my region.

In my region, they are the ones responsible for there not being the necessary money for the health care system. In order to put the health system back in order, let them put the money that is ours on the table, in all the fields that will have beneficial economic effects for my region. That is the only response I can give the hon. member for Chicoutimi—Le Fjord.

The Acting Speaker (Mr. Bélair): It being 5.15 p.m., it is my duty to interrupt proceedings and put forthwith any question necessary to dispose of the business of supply.

The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Bélair): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Bélair): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Bélair): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Bélair): Call in the members.

● (1740)

[*English*]

(The House divided on the motion, which was negatived on the following division:)

(Division No. 231)

YEAS

Members

Abbott
Bachand (Richmond—Arthabaska)
Bergeron
Breitkreuz
Brison
Cadman
Chatters
Crête
Dalphond-Guiral
Dubé
Epp
Gagnon (Québec)
Gallant
Girard-Bujold
Grey
Guimond
Herron
Hinton
Johnston
Kenney (Calgary Southeast)
Lalonde
Lebel
Lunn (Saanich—Gulf Islands)
Marceau
Ménard
Merrifield
Moore
Paquette
Plamondon
Ritz
Schmidt
Solberg
St-Hilaire
Strahl
Toews
Anders
Bellehumeur
Bigras
Brien
Burton
Casson
Clark
Cummins
Doyle
Duceppe
Fournier
Gagnon (Champlain)
Gauthier
Grewal
Guay
Hearn
Hill (Prince George—Peace River)
Jaffer
Keddy (South Shore)
Laframboise
Lanctôt
Loubier
MacKay (Pictou—Antigonish—Guysborough)
McNally
Meredith
Mills (Red Deer)
Pankiw
Picard (Drummond)
Rajotte
Sauvageau
Skelton
Sorenson
Stinson
Thompson (New Brunswick Southwest)
Tremblay (Lac-Saint-Jean—Saguenay)– — 70

NAYS

Members

Alcock
Anderson (Victoria)
Assadourian
Bagnell
Bélanger
Bennett
Bevilacqua
Blaikie
Bonin
Bradshaw
Bryden
Byrne
Cannis
Castonguay
Cauchon
Charbonneau
Comartin
Copps
Cuzner
DeVillers
Dion
Dromisky
Allard
Assad
Augustine
Barnes
Bellemare
Bertrand
Binet
Blondin-Andrew
Boudria
Brown
Bulte
Caccia
Carroll
Catterall
Chamberlain
Coderre
Comuzzi
Cotler
Desjarlais
Dhaliwal
Discepola
Drouin
Duplain
Eggleton
Finlay
Fontana
Godfrey
Goodale
Grose
Harvey
Jackson
Jordan
Keyes
Lastewka
LeBlanc
Lill
Longfield
Macklin
Maloney
Marleau
Martin (LaSalle—Émard)
McCallum
McGuire
McLellan
Minna
Murphy
Nault
Normand
O'Brien (Labrador)
O'Reilly
Pagtakhan
Patry
Peschisolido
Phinney
Pillitteri
Price
Reed (Halton)
Richardson
Robinson
Saada
Scherrer
Sgro
Speller
St-Julien
Stewart
Szabo
Thibeault (Saint-Lambert)
Tonks
Volpe
Wasylycia-Leis
Wilfert– — 141
Easter
Eyking
Folco
Gallaway
Godin
Graham
Harvard
Ianno
Jennings
Karetak-Lindell
Laliberte
Lavigne
Leung
Lincoln
MacAulay
Malhi
Manley
Martin (Winnipeg Centre)
Matthews
McDonough
McKay (Scarborough East)
McTeague
Mitchell
Myers
Neville
Nystrom
O'Brien (London—Fanshawe)
Owen
Paradis
Peric
Peterson
Pickard (Chatham—Kent Essex)
Pratt
Redman
Regan
Robillard
Rock
Savoy
Scott
Shepherd
St-Jacques
St. Denis
Stoffer
Thibault (West Nova)
Tirabassi
Valeri
Wappel
Whelan

PAIRED

Members

Asselin
Baker
Calder
Fry
Knutson
Proulx
Roy
Bachand (Saint-Jean)
Bonwick
Desrochers
Kilgour (Edmonton Southeast)
Perron
Rocheleau
Tremblay (Rimouski-Neigette-et-la Mitis)– — 14

The Acting Speaker (Mr. Bélair): I declare the motion lost.

PRIVATE MEMBERS' BUSINESS

[*English*]

SIR JOHN A. MACDONALD DAY AND SIR WILFRID LAURIER DAY ACT

The House resumed from February 7 consideration of the motion that Bill S-14, an act respecting Sir John A. Macdonald Day and Sir Wilfrid Laurier Day, be read the third time and passed.

The Acting Speaker (Mr. Bélair): Pursuant to order made on Thursday, February 7, the House will now proceed to the taking of the deferred recorded division on the motion at third reading stage of Bill S-14 under private members' business.

● (1750)

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 232)

YEAS

Members

Abbott
Allard
Assad
Augustine
Bagnell
Bélanger
Bennett
Bevilacqua
Blaikie
Bonin
Bradshaw
Brown
Bulte
Byrne
Cannis
Castonguay
Cauchon
Charbonneau
Comartin
Copps
Cummins
Desjarlais
Dhaliwal
Discepola
Dromisky
Duplain
Eggleton
Finlay
Fontana
Godin
Graham
Grey
Harvard
Hearn
Hill (Prince George—Peace River)
Jackson
Jennings
Karetak-Lindell
Kenney (Calgary Southeast)
Laliberte
Lavigne
Leung
Lincoln
Lunn (Saanich—Gulf Islands)
MacKay (Pictou—Antigonish—Guysborough)
Malhi
Manley
Martin (Winnipeg Centre)
Matthews
McDonough
McKay (Scarborough East)
McNally
Merrifield
Mitchell
Myers
Neville
Nystrom
O'Brien (London—Fanshawe)
Owen
Pankiw
Patry
Peschisolido
Phinney
Pillitteri
Price
Redman
Regan
Robillard
Saada
Scherrer
Scott
Shepherd
Solberg
St-Jacques
St. Denis
Stoffer
Szabo
Thibeault (Saint-Lambert)
Tirabassi
Tonks
Volpe
Wasylycia-Leis
Wilfert– — 165

Alcock
Anderson (Victoria)
Assadourian
Bachand (Richmond—Arthabaska)
Barnes
Bellemare
Bertrand
Binet
Blondin-Andrew
Boudria
Brison
Bryden
Burton
Caccia
Carroll
Catterall
Chamberlain
Clark
Comuzzi
Cotler
Cuzner
DeVillers
Dion
Doyle
Drouin
Easter
Eyking
Folco
Godfrey
Goodale
Grewal
Grose
Harvey
Herron
Ianno
Jaffer
Jordan
Keddy (South Shore)
Keyes
Lastewka
LeBlanc
Lill
Longfield
MacAulay
Macklin
Maloney
Marleau
Martin (LaSalle—Émard)
McCallum
McGuire
McLellan
Meredith
Minna
Murphy
Nault
Normand
O'Brien (Labrador)
O'Reilly
Pagtakhan
Paradis
Peric
Peterson
Pickard (Chatham—Kent Essex)
Pratt
Rajotte
Reed (Halton)
Richardson
Rock
Savoy
Schmidt
Sgro
Skelton
Speller
St-Julien
Stewart
Strahl
Thibault (West Nova)
Thompson (New Brunswick Southwest)
Toews
Valeri
Wappel
Whelan

NAYS

Members

Anders
Bergeron
Breitkreuz
Cadman
Chatters
Dalphond-Guiral
Duceppe
Epp
Gagnon (Québec)
Gallant
Girard-Bujold
Guimond
Johnston
Lalonde
Lebel
Marceau
Moore
Picard (Drummond)
Ritz
Sorenson
Stinson

Bellehumeur
Bigras
Brien
Casson
Crête
Dubé
Duncan
Fournier
Gagnon (Champlain)
Gauthier
Guay
Hinton
Laframboise
Lanctôt
Loubier
Mills (Red Deer)
Paquette
Plamondon
Sauvageau
St-Hilaire
Tremblay (Lac-Saint-Jean—Saguenay)– — 42

PAIRED

Members

Asselin
Baker
Calder
Fry
Knutson
Proulx
Roy

Bachand (Saint-Jean)
Bonwick
Desrochers
Kilgour (Edmonton Southeast)
Perron
Rocheleau
Tremblay (Rimouski-Neigette-et-la Mitis)– — 14

The Acting Speaker (Mr. Bélair): I declare the motion carried.

(Bill read the third time and passed)

● (1755)

The Acting Speaker (Mr. Bélair): It being 5.55 p.m. the House will now proceed to the consideration of private members' business as listed on today's Order Paper.

* * *

CRIMINAL CODE

The House resumed from November 8, 2001, consideration of the motion that Bill C-284, an act to amend the Criminal Code (offences by corporations, directors and officers), be read the second time and referred to a committee.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP) moved:

That Bill C-284, an act to amend the Criminal Code (offences by corporations, directors and officers), be not now read the second time but that the order be discharged, the bill withdrawn and the subject matter thereof be referred to the Standing Committee on Justice and Human Rights.

The Acting Speaker (Mr. Bélair): Is it the pleasure of the House to adopt the amendment to the main motion?

Some hon. members: Agreed.

(Amendment agreed to, order discharged, bill withdrawn and subject matter referred to a committee)

[*Translation*]

The Acting Speaker (Mr. Bélair): It being 5.56 p.m., the House stands adjourned until 2 p.m. tomorrow, pursuant to Standing Order 24(1).

(The House adjourned at 5.56 p.m.)

CONTENTS

Tuesday, February 19, 2002

ROUTINE PROCEEDINGS

GOVERNMENT ORDERS

STATEMENTS BY MEMBERS

ORAL QUESTION PERIOD

THE ROYAL ASSENT

GOVERNMENT ORDERS

ROUTINE PROCEEDINGS

GOVERNMENT ORDERS

PRIVATE MEMBERS' BUSINESS

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