

it is to be terminated now because of the difficult conditions in the country. The economies of the federal and provincial governments face severe problems. By its nature the fund is cost-shared 50/50 by the provinces and the federal government, and approximately 85 per cent of its capacity has been used. Because of provincial economic situations, major growth in the near future is not evident. For these reasons, it is with regret that I announce an early termination or cancellation of the health resources fund.

Proposals under the fund are made to the Minister of National Health and Welfare in different ways. I should like to take a few minutes to refer to that procedure in order to inform Canadians what submissions will not be honoured by the early cancellation of the fund. In addition to stating the extensive use of the fund by the provinces, namely 83.4 per cent, I should like to say that many provinces have used their share completely, such as Newfoundland, Prince Edward Island, New Brunswick, Ontario, Saskatchewan, and Alberta. With this bill and the amendment I will propose in a few minutes, these provinces will have used fully their share of the health resources fund.

Submissions are proposed to the Minister of National Health and Welfare in several forms. They can be of a verbal nature, for example, when provincial ministers or doctors at certain hospitals mention a project which is taking shape. This can be mentioned to the minister during a conference or some official function. Also it can be done by way of a letter of intent. Then draft submissions are made. Proposals can be made in various forms, other than the official application form devised for that purpose. The submissions are studied and the costs are arrived at by consultation between representatives of the federal and provincial departments involved. Then the final submission with the signature of the provincial authority is presented to the minister for signature, and a binding contract is established. As I said earlier, all binding contracts and submissions approved by the federal government will be fully honoured.

Due to the economic circumstances of the federal and provincial governments, unfortunately we decided to terminate the health resources fund. At that point some submissions were ready for signature and on my desk, but they could not be honoured because of the last minute administrative delays and pending policy decision.

At committee stage I will propose an amendment to Bill C-2 to change the final date for approval of projects from September 9, 1978, to November 3, 1978. The reason I am proposing this change of date is that since first reading of the bill it has become apparent, in order to achieve an equitable distribution of funds within the various provinces and territories, that it is necessary to provide for approval of some additional projects in several provinces. This would bring the rate of utilization by the provinces to a level of 85 per cent. These projects have been submitted, and they might have been approved by September 9 except for the administrative procedures involved in reviewing submissions.

Health Resources Fund Act

An additional step is required to improve further the equity in distribution. This concerns my province of Quebec and the Northwest Territories.

[Translation]

The Northwest Territories and Quebec show the lowest use of the health resources fund. I deeply regret to have to explain clearly that under the administrative procedures for the health resources fund, which is a 50/50 cost-shared program, the concerned province must take the initiative to send us a submission or a draft submission signed by competent authorities. In late September I received from British Columbia an application without even a signature. You cannot play like that with amounts of several million dollars. So the province in question must send in a submission, or a draft submission, signed by the appropriate provincial authorities which is then considered by us and eventually approved. I have reviewed in detail the case of the province of Quebec which underused the fund to see if a mistake or error had not been made in my own department; it is clear that even if we had wanted to help Quebec in a particular way, it was impossible to do so because all we had on file was a five-year plan of some 25 projects totalling a few hundred million dollars, actually a lot more than the total amount in the health resources fund, and on which we had been given no priority.

I pointed out the danger of leaving files open that way in an informal manner on the first occasion when I met my colleague from the province of Quebec, but without results, so that even if we had wanted to do so, it would have been impossible to honour other commitments than those I signed since last fall when I attended the opening of Laval's Cité de la Santé, the research wing at St. Luc Hospital and the Penfield wing at Royal Victoria. So, to give Quebec and the Northwest Territories a last chance to use a little more the portion of the fund equivalent to the number of people in the province of Quebec, I am proposing to add \$3 or \$4 million more. Unfortunately there were no tenders advanced enough for me to sign before November 3, so we are going to find within the department other ways of giving Quebec, if possible, \$3 million more. So I invited my colleague, provincial social affairs minister Lazure, to tell me as soon as possible for which of the projects of his five-year plan he would like to receive \$3 million more.

So I am giving the House notice of my intention to introduce an amendment to the bill providing, as I said, for a fairer distribution. That amendment will include the Queen Elizabeth Hospital in Charlottetown. It will also include a project for a childrens' hospital in Calgary, projects for Saskatchewan, others, I believe, for Manitoba, and as I said, for the Northwest Territories and for Quebec but I think that it would be more appropriate to discuss it only at the standing committee in order to be able to analyse the details of that amendment and its consequences.