

*Adjournment Debate*

They also pointed out the impact of the cuts under Bill C-33 and by combining those two together felt that the government was creating severe problems for the health care system.

This government is putting Canada's health and education system into a vice. On the one side are the higher costs imposed by the goods and services tax as I have outlined. On the other side is the slashing of revenue from cuts to Established Programs Financing.

The total cuts to EPF over the next nine years for health and education will be \$24 billion. That is \$24 billion that will be taken out of the system which but for the government's Bill C-33 would have been available to the provinces for health and education.

This is a truly staggering figure, and if we add this to the impact of the goods and services tax we have a serious situation for our hospitals as well as our education institutions and our urban and rural municipalities.

We do not yet know the full impact the goods and services tax will have on costs in hospitals, but given the wide disparity between government projections and reality we can be sure that they are going to be enormous.

**Mrs. Lise Bourgeault (Parliamentary Secretary to Minister of National Health and Welfare):** Mr. Speaker, I believe contrary to the member for Saskatoon—Clark's Crossing that implementation of the GST will work to ensure the future of Canada's health care system rather than adversely affect it. First, by providing the government with a stable source of revenue, the GST will help to ensure that we can continue to pay for valued programs including many of the services under our health care system.

[*Translation*]

Mr. Speaker, I would suggest that the hon. member might refer to the GST technical paper and read pages 85, 86, 87 and 138, among others, where he would find answers to his questions.

Mr. Speaker, a wide array of health care services have been exempted so that Canadians may find effective alternatives to hospital care which will enable patients to remain at home. Just to name a few, they include mobile canteens, home nursing care, and non-profit homemaking services.

Allow me to say a few words about services offered by health care professionals. Among other things, in its June 1987 White Paper on Tax Reform the government recommended that health care services be exempted, provided they are covered under provincial health care programs.

Mr. Speaker, in consultations with health care professionals after the release of the white paper, the government was warned against the problems which might come up if indeed health care services covered under health insurance plans were to be exempted. The result might be unequal tax treatment of health care services available in various provinces.

So, Mr. Speaker, in the GST technical paper released last summer—I am showing it to you so you might have a look at it—the government set forth a number of criteria aimed at enlarging the scope of exemptions in the health care field. In accordance with the revised version, services provided by health care professionals will be GST-exempt if such services are covered under the health insurance plans of at least two provinces.

Mr. Speaker, what this means is that such health care professionals as chiropractors, optometrists and dental surgeons—once again, we can see on page 88—the Hon. Member referred to physiotherapists, they too are exempted. I just want to name a few, they will not have to add the GST when they bill their patients.

• (2140)

Mr. Speaker, in summary, I can say without hesitation that our commitment to health care plans is clear. We have established a system of exemptions for health care plans that is as wide as possible and we have also taken measures to offer health institutions like hospitals and extended care homes significant rebates on the GST they will have to pay on their purchases.

Mr. Speaker, I would like to conclude by reminding the hon. member that I attended the latest health ministers' conference as parliamentary secretary to the Minister of National Health and Welfare and I can tell you that the federal and provincial governments find themselves far short of the resources they require to meet the tremendous needs in the country for health care. It would take what the government pays for the debt plus the present equalization payments to the