

problems. We do want the provinces to participate, but above all, we want all other stakeholders who want to make their views known to participate in the forum. This conference must not be confused with the meeting of federal and provincial health ministers, who get together on a regular basis.

Five provinces made recommendations in anticipation of their participation. The Minister of Health said she had approved some of these proposals. The provinces then submitted more proposals, which we are currently examining. But the fact remains that this process cannot replace the health ministers' meeting.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, are we to understand that the federal government is refusing to clearly authorize the formal and direct participation of the provinces in the forum to avoid having to debate publicly with them the consequences of its decision to withdraw from free, accessible and universal health care?

Right Hon. Jean Chrétien (Prime Minister): Absolutely not, Mr. Speaker, because there is a clear and unequivocal commitment on the part of this government to free and universal health care across the country. More and more—and even the provinces recognize this—Canadians want this health system which is the envy of the Americans and others to be maintained.

We spend 9 per cent of our gross national product on health care, as compared to 14 per cent in the United States. We want to make sure that the objectives of this system, which has been working well but has developed a number of problems like any other system after a few years of operation, are maintained in the interest of all Canadians.

• (1420)

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, how can the leader of the government try to make himself look good by imposing national standards on the provinces, while his government is reducing its contribution to health care, which puts the provinces in an impossible situation?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we did not reduce our funding at all. No cuts in transfers to the provinces were made in the Minister of Health's budget.

The position which we put forward during the election campaign and the Minister of Finance adopted in his budget is that we are going to maintain transfer payments at the level they were when we came to power.

Oral Questions

GOODS AND SERVICES TAX

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, we learned this morning that the Liberal government is thinking not of eliminating the GST as it promised but of replacing it with another GST that would be even more complex than the first one, an odious, hidden tax that goes directly against the provinces' fiscal autonomy.

My question is for the Minister of Finance: Does he confirm his government's intention to implement a GST that would be even worse than the first one and that could apply to currently tax-free products such as food, health care and medicine, which amounts to a systematic attack against the sick and the poorest?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, the hon. member is on the finance committee which is drafting the report. We eagerly await this report, as I have always said.

I have no intention of commenting or anything until I have had a chance to read it.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, I refer to an article in this morning's newspaper and I ask the Minister of Finance whether he intends to promote a systematic attack against the provinces' fiscal autonomy, as well as a hidden tax that would be easier for his government to increase in a deceitful, odious and hypocritical way at consumers' expense.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, I have no intention of commenting on newspaper articles, but we will certainly comment after reading the official report of the finance committee. If the finance critic is the author or the source of the article in *La Presse*, he should be the one commenting.

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[English]

THE ECONOMY

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, my question is for the Minister of Finance.

Earlier this week the Prime Minister acknowledged that increasing uncertainty caused by the debate over Quebec sovereignty was hurting the Canadian economy. At the same time the study released by the C. D. Howe Institute points to growing uncertainty about the government's ability to hit its deficit targets, which also hurts the economy.

The C. D. Howe study says the government would have to make further spending reductions of \$7.2 billion just to restore confidence in its current deficit projections.