

discuss it as quickly as possible; it is precisely what I intend to do.

REQUEST FOR CONSULTATION WITH PROVINCES ON METHOD
OF FINANCING

Mr. Heward Grafftey (Brome-Missisquoi): I should like to put a supplementary question, Mr. Speaker.

It is obvious that there is a lack of consultation between the provinces and the organizations involved. My supplementary question is as follows:

Two months ago during a meeting in Edmonton the provincial welfare ministers called for a federal-provincial conference to discuss the block financing program. This request was repeated by at least eight provinces during the past two months. Considering the importance of the matter for the provinces, could the minister call a meeting of the provincial welfare ministers to together reach an acceptable financing formula for social services?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, I appreciate the question of the hon. member which shows that it is urgent to find a solution and this is also the objective of the federal government.

To the provinces which asked for an immediate federal-provincial meeting, I pointed out two things: First that it was useless to hold a meeting immediately if we did not reach a sufficient number of basic agreements to discuss the principle, and I am obtaining those agreements. Second, I was compelled to say . . .

● (1417)

[English]

Perhaps I should say in English, to make sure I am understood properly, that most of the provinces are communicating to me agreements in principle which will permit me to meet with them. Second, I should like to say with respect to the second sort of reservation I had vis-à-vis an immediate meeting, back in September, that there was no more money I could put into the pot for distribution to the provinces, and that message unfortunately had to reach home. I think it is beginning to be understood.

[Translation]

Mr. Grafftey: A final supplementary, Mr. Speaker. It is also about the consultations.

The minister is no doubt aware of the fact that several social services organizations, like the Canadian Association for the Mentally Retarded, have objected to the block financing formula, warning against the danger of a lack of federal leadership and the very real danger that the moneys appropriated for social services would be used for other purposes. Has the minister contacted those organizations to discuss their objections? If so, with what results? If no, why not?

Miss Bégin: Mr. Speaker, I was just talking a few minutes ago with a member of the National Welfare Council who

advised me of the same concerns. I have met, not all of course, but several of the national or local organizations, and they expressed concern about cuts in funds and this, for several reasons.

As for the federal funds directly appropriated to certain projects, I have assured those organizations that there was no question of cutting those funds. The lump sum proposal does not affect them, and they were reassured about that.

As for the general program of provincial accountability, there is, even under the present system, the cost-sharing formula which provides for paying 50-50 the costs of social services. I am looking more fully into that to try and provide groups, mostly local ones, with instruments which would enable them to apply themselves for repayment to their respective provinces. I am thinking in particular of organizations for the handicapped or the mentally retarded.

[English]

ALLEGED LACK OF CONSULTATION WITH PROVINCES ON
ADOPTION OF BLOCK FUNDING FOR SOCIAL PROGRAMS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare regarding the very heavy-handed and unilateral change of rules in the middle of the game of block funding for the social services act which met with the significant approval of not only the provinces but the various national and provincial agencies involved with social services, a change which led to nothing but anger, frustration and disappointment at the way this government performs. Why did the minister, through her predecessor, change the rules in the middle of the game without giving an opportunity to the provinces and the various national and provincial social service agencies to discuss this matter before bringing in block funding? That is the way federal-provincial relations are supposed to work. Why this heavy-handed approach?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, it looks as though during a meeting of their members this morning, on November 23, the Conservative party has finally discovered that there was a new proposal being discussed, and consultations have been taking place for two months and ten days. This has been discussed openly. The counter-proposal for block funding was made by my predecessor, on September 15, because at their June 1977 meeting the provinces had made it very clear that they wanted more money under the social services proposal, but they also wanted flexibility and autonomy. We, therefore, listened to what they asked us and gave them the proposal covering a regime of block funding similar or parallel to the one they already have in place and which they like very much.

Some hon. Members: Hear, hear!

Mr. Alexander: Mr. Speaker, there is one thing I have noticed about the type of consultation this government carries out. The minister is wrong in terms of stating that this matter was introduced with consultation when it was not. She intro-