

*Adjournment Debate*

1994 on health care and on her position on the reduction of taxes on alcohol products which the Distillers Association of Canada the day after the reduction of taxes on cigarettes began to advocate for.

The response to that question was in effect no comment. The response of the Minister of Health to the reduction of taxes on cigarettes was in effect no comment. The reaction of the Minister of Health to the proposed federal idea of taxing the health benefits of employees was in effect no comment.

This is not good enough for the future of health care in this country. Within the next two years we will be undertaking a very comprehensive discussion right across the country on the future of the health care system. It seems to me that the Minister of Health by refusing to take a stand, including a response to my question on her position on the reduction of taxes on alcohol, is not being an advocate for health care in this country.

The lowering of federal tax on cigarette products clearly is going to be a major cost to the economy. The estimates are that over some \$300 million a year will be added to the federal deficit as a result of this and this does not account for revenues that will be lost by provinces and territories if they too reduce and follow that lead.

Clearly, when people are concerned about the debt and deficit in this country this rather odd move by the government in an ad hoc policy attempting to resolve what is clearly a very difficult problem, that of smuggling, has created many others. We simply do not have a Minister of Health prepared to stand up and be clear about her philosophy about health care in this country.

We see by the most conservative estimates that the true cost of tobacco related illnesses to the health care system in this country is about \$9.6 billion a year with indirect costs being some \$15 billion a year. Clearly, the refusal of the minister to take a position on these issues jeopardizes the health care system in this country.

There have been many comments on this issue. There are many points of view on this issue. Surely Canadians can expect a minister of health to stand up for the health of Canadians and to be that strong advocate.

I want to assure all Canadians that the New Democratic Party will continue to be a strong advocate for a strong health care system in this country that meets the needs of all Canadians.

One commentator, Dalton Camp, commented that this policy clearly was joining the Reform Party too soon.

My question to the parliamentary secretary is simply is it the government's intention to reimburse provinces and territories for lost revenues with this policy of reducing taxes on cigarettes and potentially on alcohol products?

**Ms. Hedy Fry (Parliamentary Secretary to Minister of Health):** Madam Speaker, the question as the hon. member has said is a very complex one and to try to boil it down to a simplistic answer is impossible.

I will take on the issue first and foremost of the problem of tobacco smuggling. When the Prime Minister stood up in this House on February 8 and announced his national action plan on tobacco he said very clearly that smuggling is threatening the safety of our communities and the livelihood of law-abiding merchants. The problem of tobacco smuggling is an increasingly complex one because it touches on the very fabric of our Canadian identity which is dedicated to peace, order and good government. It touches on the safety of our communities. It touches on respect for law and order. It also affected the economy and, as the hon. member mentioned before, the health of Canadians.

Organized crime networks have been responsible for 95 per cent of the tobacco smuggling that was going on in Canada. They were also responsible for smuggling liquor, drugs and firearms at the same time. Tobacco and alcohol were controlled drugs as were firearms. We would have lost control over these controlled substances if we had not done something immediately to deal with that smuggling and to deal with the smuggling of liquor.

In order to deal with the matter the government took unprecedented action. I want to remind the hon. member that the issue is not a new one. It has been going on for years. The past government tended to ignore it and to pretend it did not occur. We took immediate unprecedented action. We increased the number of RCMP and customs officials dedicated to fighting tobacco smuggling. They are using new strategies. They are accompanying these resources with other strategies to crack down and to keep surveillance on smugglers starting immediately.

The hon. member talked about the lack of a response from the Minister of Health on this matter. The Minister of Health is responsible and has worked very hard for the major health strategy found here. We have invested about \$185 million in funds from taxing the tobacco industry. They will be dedicated to prevention and promotion. We have already seen the launch of a media campaign aimed at kids, the proclamation of the Tobacco Sales to Young Persons Act, and legislation to eliminate kiddie packs, to increase the age and to crack down on sale to minors. The minister has responded.

**The Acting Speaker (Mrs. Maheu):** I am sorry but the time for the member's response has expired.

It being 7 p.m., the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 7 p.m.)