

FOR IMMEDIATE
RELEASE

June 7, 2004

Harper Will Resolve the “Fiscal Imbalance”

Replies to Letter from the Council of the Federation

QUEBEC CITY – Conservative Leader Stephen Harper stated today at a news conference with his Quebec City area candidates that there is a serious fiscal imbalance between the federal government, which collects the majority of revenues, and the provinces, which are responsible for health care and the majority of social spending. Harper promised to work with the provinces and territories to resolve this problem.

“I want to underline once again that we recognize the fiscal imbalance, and that we will work with Quebec and the other provinces towards resolving this situation which has lasted for far too long,” said Harper.

Harper announced that he had replied positively to a letter on health care and the fiscal imbalance from Premier Pat Binns of Prince Edward Island on behalf of the Council of the Federation, which represents the ten provinces and three territories. “Our commitment towards our health care system is very clear, and we share the same concerns as the premiers of the provinces and territories,” said Harper.

Harper reiterated his commitment to the 2003 First Ministers' Accord on Health Care Renewal, signed by all provinces including Quebec, and to the \$36.8 billion funding increase agreed to under the Accord. He also promised more money for health care and expressed his willingness to meet with the premiers this summer to discuss the issue. The recently released Conservative platform provided for increased health care funding of \$13 billion over five years. Harper also promised to meet with the Council of the Federation to discuss the fiscal imbalance in advance of the next federal budget.

Speaking directly to Quebecers, Harper also responded to recent Liberal attack advertising against the Conservative Party. "This campaign of fear will rebound against them in Quebec as it has elsewhere in Canada. It's time for Quebecers and Canadians to demand better and vote for the new Conservatives."

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June 6, 2004

Hon. Pat Binns, Chair

Council of the Federation

Shaw Building
PO Box 2000
Charlottetown PE C1A 7N8

Dear Mr. Binns:

Thank you for your letter dated May 31, 2004 in which you ask for the Conservative Party of Canada's position on the sustainability of our Health care system and fiscal arrangements. I agree that Canadians want a new positive approach to federal-provincial-territorial relations.

I am pleased to provide you with the following answers to your questions:

Q1. *What is the position of your party on the sustainability of our health care systems, including the appropriate levels of the federal government's long term funding for health care?*

We believe that recent Health Accord provided an accountability framework that should be the basis for ensuring the viability of our health care system. We support the \$36.8 billion invested under the accord, and are willing to invest additional dollars into our health care system under the Health Care Accord framework.

Q2. *Will your party confirm the commitment of the Prime Minister of Canada to call a First Ministers' meeting on this issue in the months following the election of a new government?*

Yes.

Q3. *What is your party's position on the issue of the fiscal imbalance?*

We agree that there is a fiscal imbalance between the federal and provincial governments, and are determined to address this imbalance.

Q4. *Would your party agree to a First Ministers' meeting on the issue of fiscal arrangements before the next federal budget?*

Yes.

You can rest assured of my commitment and support with respect to these very important issues. I look forward to working closely the Council of the Federation on these and other issues of importance to Canadians.

Sincerely,

Stephen Harper

Leader, Conservative Party of Canada