

FAXED
June 1/04

May 31, 2004

The Right Honourable Paul Martin, P.C., M.P.
Leader of the Liberal Party of Canada
81 Metcalfe Street, Suite 400
Ottawa, ON K1B 6M8

Dear Mr. Martin:

The Premiers of the Provinces and the Territories created the Council of the Federation to provide a forum for governments to work co-operatively and constructively in the true spirit of our federal system of government.

We believe that Canadians want a new and positive approach to federal-provincial-territorial relations. They also expect governments to ensure high quality, timely, and appropriate health care services are available for them now and in the future.

In this spirit, we believe it would be useful for the people of Canada to be informed on where the federal political parties and leaders stand on key issues for our citizens that must be jointly addressed by our respective governments, particularly during the federal election campaign. In particular, we ask you to respond to the following questions:

1. 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?
2. 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?
3. What is your party's position on the issue of the fiscal imbalance?
4. Would your party agree to a First Ministers' meeting on the issue of fiscal arrangements before the next federal budget?

We believe it is important that Canadians know your position on these matters, given the fundamental stake that we all have in preserving the quality of the public services which our citizens are entitled to expect from their provincial and territorial governments.

Sincerely,

Pat Binns, Chair
Council of the Federation

**Liberal Party of Canada
Parti libéral du Canada**

1001 - 23 rue Metcalfe Street
Ottawa ON K1P 6M8
Telephone / Téléphone: (613) 237-0740
Fax / Télécopieur: (613) 235-7208



June 14, 2004

**The Honourable Patrick Binns
Premier of Prince Edward Island
Shaw Building
95 Rochford Street
P.O. Box 2000
Charlottetown, Prince Edward Island
C1A 7N8**

Dear Premier Binns,

Thank you for your letter of May 31, 2004 regarding cooperation between the federal government and the provinces to improve Canada's health care system. As you know, I have made fixing health care the top priority of my re-election campaign and eagerly look forward to working with the provincial premiers and territorial leaders to accomplish this goal.

I would like to respond to each of the four questions you asked in your letter:

1. The top priority of my government will be fixing health care for a generation and reducing waiting times across a range of critical medical services and procedures. Accomplishing this goal requires a comprehensive plan to close the "Romanow Gap" and to guarantee long-term predictable increases in health care funding that target particular weaknesses in the healthcare system. The Liberal plan does both.

It commits to a \$9 billion targeted funding increase for health care over the next five years, part of which is dedicated to eliminating the "Romanow Gap." In addition, as part of a ten-year deal, we will negotiate with the provinces and territories an ongoing annual escalation in the amount of funding transferred to them for health care. This will guarantee long-term funding levels so provinces and territories can know what health care money will be available to them and when. The National Waiting Times Reduction Strategy will devote \$4 billion to make sure Canadians have access to health care in a timely fashion. The National Home Care Program will allocate \$2 billion to create a homecare system that offers medication and rehabilitation coverage for post-acute patients, home mental health services for those in need, and palliative services to support people at the end of life. Our Primary Care reform will support the training of 1,000 new Canadians to become doctors. We will also work with the provinces to increase the number of spots for those seeking to study medicine at university and accelerate qualification for new immigrants seeking medical credentials.

My government also looks forward to discussing a number of other issues with the premiers and territorial leaders including working cooperatively and participating financially in creating a national pharmaceuticals strategy to establish a basic level of drug coverage for all Canadians and formalizing resolution procedures for disputes arising from the Canada Health Act.

2. As you noted in your letter, I promised to meet with the premiers and territorial leaders this summer after the election to discuss health care. I will follow through with this commitment and look forward to discussing the Liberal health care plan with my provincial counterparts.
3. We recognize that provincial governments face real fiscal pressures in offering important services to the people of Canada. My government will sit down with provincial and territorial leaders this fall to discuss how to address these fiscal pressures and to jointly develop a national plan to address them.
4. Yes, as noted above, I am prepared to meet with the premiers and territorial leaders in advance of the next budget. I have already committed to regular meetings with provincial and territorial leaders on the basis of a jointly set agenda. We will meet this summer on health care and I would be pleased to sit down with all First Ministers in advance of our next budget to discuss important national priorities, including the fiscal pressures all governments are facing.

I am confident I have provided you with a complete response to the questions you raised in your letter. Rest assured, fixing health care for a generation is my top priority and, by working with the provinces, I believe we will achieve this goal and also succeed in making the lives of Canadians better in many other key areas. I look forward to meeting you and the premiers and territorial leaders.

Sincerely,



The Right Honourable Paul Martin
Leader of the Liberal Party of Canada

FAXED
June 1/04

LE CONSEIL DE LA FÉDÉRATION



THE COUNCIL OF THE FEDERATION

May 31, 2004

Mr. Stephen Harper, Leader
Conservative Party of Canada
National Campaign Headquarters
610-130 Albert Street
Ottawa, ON K1P 5G4

Dear Mr. Harper:

The Premiers of the Provinces and the Territories created the Council of the Federation to provide a forum for governments to work co-operatively and constructively in the true spirit of our federal system of government.

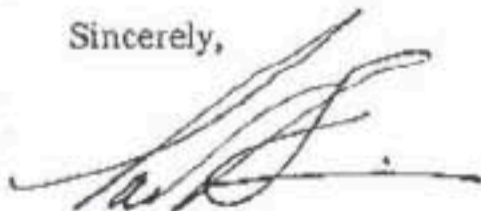
We believe that Canadians want a new and positive approach to federal-provincial-territorial relations. They also expect governments to ensure high quality, timely, and appropriate health care services are available for them now and in the future.

In this spirit, we believe it would be useful for the people of Canada to be informed on where the federal political parties and leaders stand on key issues for our citizens that must be jointly addressed by our respective governments, particularly during the federal election campaign. In particular, we ask you to respond to the following questions:

1. 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?
2. 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?
3. What is your party's position on the issue of the fiscal imbalance?
4. Would your party agree to a First Ministers' meeting on the issue of fiscal arrangements before the next federal budget?

We believe it is important that Canadians know your position on these matters, given the fundamental stake that we all have in preserving the quality of the public services which our citizens are entitled to expect from their provincial and territorial governments.

Sincerely,



Pat Binns, Chair
Council of the Federation

Parti conservateur
du Canada



Conservative Party
of Canada

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JUN 10 2004

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



C Canadian Heritage
Leo Walsh, ISAFAXED
June 1/04

May 31, 2004

Mr. Jack Layton, Leader
New Democratic Party of Canada
1001-75 Albert Street
Ottawa, ON K1P 5E7

Dear Mr. Layton:

The Premiers of the Provinces and the Territories created the Council of the Federation to provide a forum for governments to work co-operatively and constructively in the true spirit of our federal system of government.

We believe that Canadians want a new and positive approach to federal-provincial-territorial relations. They also expect governments to ensure high quality, timely, and appropriate health care services are available for them now and in the future.

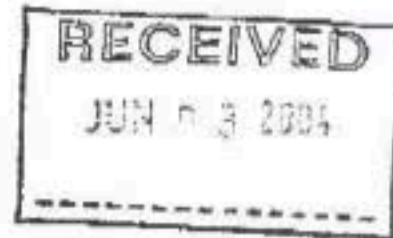
In this spirit, we believe it would be useful for the people of Canada to be informed on where the federal political parties and leaders stand on key issues for our citizens that must be jointly addressed by our respective governments, particularly during the federal election campaign. In particular, we ask you to respond to the following questions:

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We believe it is important that Canadians know your position on these matters, given the fundamental stake that we all have in preserving the quality of the public services which our citizens are entitled to expect from their provincial and territorial governments.

Sincerely,

Pat Binns, Chair
Council of the Federation



June 2, 2004

Pat Binns, Premier
Prince Edward Island
Fifth Floor South
Shaw Building
95 Rochford Street
P.O. Box 2000
Charlottetown, PE
C1A 7N8

Dear Mr. Binns:

Thank you for your recent letter on behalf of the Provincial and Territorial Premiers, and let me take this opportunity to congratulate you and all the Premiers on the creation of the Council of the Federation as a positive development for the future of our country.

I agree that it is important for all Canadians to understand where the leaders of the major political parties stand on the vital issues you raise.

1. **Sustainability of the health care system:** Canada's NDP believes in improving public delivery of health care through investment and innovation, not privatization. To that end we will begin by taking the Romanow report off the shelf, implementing it and going beyond – meeting the Premiers' request that the federal government fund the full 25 per cent of provincial health care costs within two years. We also see an appropriate escalator built into this funding, to ensure sustainability over time.

This would also assist an NDP federal government to work in a cooperative way with the Provinces and Territories in order to stem creeping U.S.-style private delivery options. We are confident that with a renewed partnership, a new era of health care innovation within the publicly-delivered system would flourish.

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Canada's New Democratic Party / Nouveau Parti démocratique du Canada

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Email/Courriel: ndpadmin@fed.ndp.ca • www.ndp.ca / www.npd.ca

-2-

- 2. First Ministers meeting on health care:** We believe a meeting of First Ministers is absolutely necessary and, as Prime Minister, I would call such a meeting shortly after the federal election to begin this new relationship. I would not, as the current Prime Minister has done, make vague promises about "fixing health care for a generation" without first meeting with Premiers to reach a mutually-acceptable arrangement that achieves our common goals of a sustainable, first-class, publicly-controlled and delivered health care system for all Canadians.

- 3. Fiscal imbalance:** Unlike Mr. Martin, we firmly recognize and are deeply concerned about the current and growing imbalances – both horizontal and vertical – between the federal and Provincial/Territorial governments' ability to finance their respective program responsibilities.

I agree with Premiers that the federal government's surpluses are projected to rise quickly over the next two decades as a result of large and growing revenue sources and reduced expenditure commitments. Provinces and Territories, however, will collectively be hard pressed to keep their budgets in balance over this same period. The NDP is concerned that Provincial/Territorial governments' finances are particularly vulnerable if cost pressures in key public services increase even moderately or in the event of a slowdown in the economic growth.

In our platform you will find specific reference to our recognition of the fiscal imbalance and some of the measures we propose for addressing it, including an Equalization Program based on a 10-province standard.

- 4. Meeting on fiscal imbalance:** I believe there should be a schedule of regular First Ministers meetings, reversing the recent pattern of very infrequent and perhaps unnecessarily acrimonious meetings, thereby dealing more expeditiously with emerging and urgent issues of concern; as well as working toward a more flexible approach to federal-provincial relations that we firmly believe will be more satisfactory to Provinces and Territories.

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For more detail on these matters, I have attached a copy of our party's election platform, where you will also find specific positive acknowledgement of the Council of the Federation by our party.

Sincerely,



Jack Layton
Leader
Canada's NDP

LE
CONSEIL
DE LA FÉDÉRATION



THE
COUNCIL
OF THE FEDERATION

May 31, 2004

Mr. Gilles Duceppe, Leader
Parti Bloc Québécois
3750 Cremazie East, Suite 307
Montreal, QC H2A 1B6

Dear Mr. Duceppe:

The Premiers of the Provinces and the Territories created the Council of the Federation to provide a forum for governments to work co-operatively and constructively in the true spirit of our federal system of government.

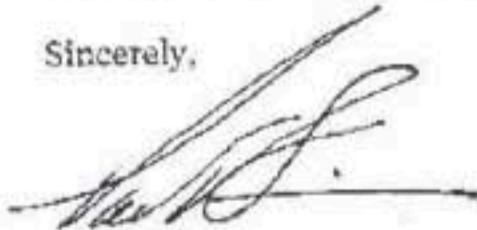
We believe that Canadians want a new and positive approach to federal-provincial-territorial relations. They also expect governments to ensure high quality, timely, and appropriate health care services are available for them now and in the future.

In this spirit, we believe it would be useful for the people of Canada to be informed on where the federal political parties and leaders stand on key issues for our citizens that must be jointly addressed by our respective governments, particularly during the federal election campaign. In particular, we ask you to respond to the following questions:

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We believe it is important that Canadians know your position on these matters, given the fundamental stake that we all have in preserving the quality of the public services which our citizens are entitled to expect from their provincial and territorial governments.

Sincerely,



Pat Binns, Chair
Council of the Federation

June 1st, 2004

Honourable Patrick Binns
Premier of Prince Edward Island
Chair, Council of the Federation
5th floor, South
Shaw Building
95 Rochford Street
P.O. Box 2000
Charlottetown, PEI
C1A 7N8

Dear Premier:

As I wrote in a letter to the Quebec Premier on May 17, 2004, we consider that the Federal Government is far from doing its share in funding health care. Since the Liberal Party of Canada took over the reins in 1994 and up until 2002-2003, Federal Government revenue has increased by \$1,569 per person, while its health and education transfers decreased by \$34 per person. This means that the Federal Government's financial efforts relating to health transfers have been reduced by 40 %. This reduction had become intolerable at a time when most provinces are in a deficit situation.

In the Bloc Québécois' 2004 platform, we propose that the Federal Government increase the Canada Health and Social Transfer (CHST) by 11 billion dollars over the next three years as well as make changes to the equalization formula that will increase these transfers by 13.7 billion dollars in three years. In total, we're looking at a transfer increase of 24.7 billion dollars. With this proposal, Quebec alone will receive an additional 9.2 billion dollars. That would be funding for health, education and social programs.

These proposals would only address the urgent needs which would prevent Quebec and other provinces from falling again into the budget deficit spiral. The fiscal imbalance goes deeper than that. In fact, it's an attack on Quebec democracy since it deprives the National Assembly of the financial means to address the needs of Quebec residents in its own responsibilities such as health, education, social programs, family policy or regional economic development.

To correct the fiscal imbalance, we therefore suggest that 10 billion dollars presently spent by the Federal Government be transferred to the Quebec Government for Quebec issues in which Ottawa should not be intervening. This would eliminate at least part of the many intrusions by Ottawa in Quebec areas of responsibility. As recommended by the Commission on Fiscal Imbalance, these transfers must imperatively take the form of independent fiscal resources, whether through tax points or transfer of GST revenue.

We know that these transfers can not happen in a few weeks. Also, we believe that each party should immediately make the commitment of giving GST revenue to Quebec and to the provinces who want it, as proof of good faith and as basis for discussion.

In fact, as you know, today's Federal Government has initiated a new tradition of unorthodox financial projections that consist of systematically underestimating the Federal surplus. This way, government can say that it is unable to fund its fair share in the area of health or rectify the fiscal imbalance. When the final financial results are released, the Federal Government pretends it is surprised and uses its large budget surpluses to pay the debt.

This is why we are proposing a new public debt repayment mechanism. This mechanism will ensure that for each dollar paid on the federal debt, Ottawa will transfer one dollar to Quebec and to the other provinces. Based on fiscal year 2002-2003, this new mechanism would have generated an additional sum of 822 million dollars for the Government of Quebec.

We believe it is a good idea to hold a premiers' meeting shortly after the election of a new government and we suggest that the main topic be the fiscal imbalance issue. We share your opinion that the citizens have a right to know the specific position of each political party on these issues before the end of this electoral campaign.

Sincerely,

Gilles Duceppe
Leader of the Bloc Québécois