would be able to guarantee dignified health care services which treat people with respect. That is the real solution.

[*English*]

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, I am pleased to speak in support of private member's Motion No. 424, tabled by my colleague from Surrey North.

The motion is straightforward. It asks that the government allow the provinces greater flexibility in the delivery of health services. The motion before us recognizes that we have reached a watershed in health care funding in Canada. The old system is becoming increasingly unsustainable as federal and provincial governments groan under the weight of a $72 billion doctors' bill.

• (1150)

The challenge facing these governments, which the hon. member for Surrey North addresses in the motion, is how to reduce funding without threatening the fundamental principle of medicare, which is that no Canadian will be denied access to health care based on an inability to pay. What we now have to ask ourselves is how this can best be done. I believe that Motion No. 424 identifies the proper course.

Before discussing the motion, I would first like to provide you with an explanation of how the health care funding crisis came to pass. The starting point in all of this is to acknowledge that health care falls exclusively under provincial jurisdiction. No one disputes that fact. The only reason the federal government is involved at all in the funding of health care is that 30 years ago it promised the provinces it would pay 50 per cent of the tab if they played by some of the rules. The culmination of this dollars for influence funding arrangement was the Canada Health Act, which was passed in 1984.

While the Canada Health Act may have been enacted with the best of intentions, it effectively restricted the ability of provincial governments to innovate and experiment in delivering health services. Creative ideas and efforts in cost control were automatically excluded from consideration. The straitjacket of the Canada Health Act was not so onerous to the provinces when the federal government was paying up to 50 cents of every provincial health care dollar. However, beginning in 1977 the federal share of health care spending began to decline. First the government shifted to a block grant, then it imposed restrictions on the grant's rate of growth, and finally, in the last budget, the federal government announced that the cash portion of the grant would be reduced by 39 per cent over three years.

Today the federal share of health care spending in Canada has shrunk from 50 per cent to only 24 per cent. The cash portion of that share is only $7 billion, which is 10 per cent of the $72 billion we will spend on health care this year alone.

In coping with cuts of this magnitude the provincial governments face three stark choices: they can try to make up the lost federal dollars by raising their own revenue; they can cut the level of quality of their health care services; or they can find newer, leaner ways of providing the level of services constituents deserve. Clearly, the first two are not options. Provincial governments are just as financially strapped as is the federal government. Raising taxes simply is not a viable solution any longer. Indiscriminately slashing programs is not an option either. The only realistic avenue open to the provinces is to come up with new ways of providing these services more cheaply, more quickly, and better than before. However, the Canada Health Act is standing in their way. The provinces do not have sufficient flexibility and freedom to institute the kinds of reforms that can put medicare back on a sound financial putting.

This places the ball back in the federal government's court. It has two options: either continue to insist on preserving the rigid interpretation of the Canada Health Act, in which case Ottawa will have to resume picking up 50 per cent of the cost, or amend and reinterpret the act to give the provinces the freedom they need in order to meet the funding challenges ahead. No party can pretend that the first is a realistic option. The federal government cannot now nor will it ever again be able to pick up half the tab of medicare as it exists today. Health care consumes 10 per cent of our nation's GDP, a greater proportion than any other nation except for the United States.

What this motion is saying is that the federal government can no longer have it both ways. The longer we insist on having it both ways the greater the chance that our national health care system will collapse under its own weight. The only realistic course of action is the one this motion recommends; that is, giving the provinces the ability to redesign their health care services, allowing them to experiment and to improve on old ways of doing things, and ultimately letting the voters of each province decide how much health care they are willing to pay for. This is the approach taken by Reform.

• (1155)

What we have said in our blue book and what we have reiterated in the taxpayers budget is that a Reform government would provide unconditional federal funding in support of health care services. While our taxpayers budget proposed reducing current funding levels by $800 million, it also included a pledge to turn over to the provinces additional tax points, which would grow along with the economy.

What the present health care debate comes down to is the question of trust. Reform is saying that provincial governments can be trusted to uphold the fundamental principle of Canadian health care: that nobody will be denied adequate health care based on inability to pay. By refusing to amend or reinterpret the