

deficit is not very credible. In the election of 1984 they ran on the deficit.

Even before 1982, specifically in 1977, structural damage was done to medicare through federal block funding of medicare and abandonment of the direct 50/50 cost sharing, something the NDP opposed. We predicted, and unfortunately we were right, that such a withdrawal of active participation by the federal Government would result in an erosion of the principles of medicare by Progressive Conservative provincial Governments. The Liberals admitted at the time that they were gambling with medicare. By 1979 the gamble was over and they had lost.

Canada was at the beginning of what came to be known as the "medicare crisis". In 1980 the health services review conducted by Mr. Justice Emmett Hall recommended federal action against extra billing. In 1981 the Special Parliamentary Task Force on Federal-Provincial Fiscal Arrangements recommended federal action against extra billing and user-fees, and advised that there be no cut-backs in federal funding because, and this is still the case, federal transfer payments were not seen to be a cause of the deficit.

In 1984, after cut-backs in federal funding and five years after the crisis began, the Liberals finally moved against extra billing and user-fees with the Canada Health Act which enabled the federal Government to penalize on a dollar for dollar basis those provinces which continued to allow extra billing and user-fees. The Government withdrew one dollar of federal money for every dollar collected through extra billing or user-fees. However, we in the NDP, and I think a great many other Canadians as well, are under no illusions about the ability of the Canada Health Act to deal with the underlying problems which beset the future of medicare in Canada. On this score the Canada Health Act was a tragic failure. A golden opportunity to enhance the future of health care in our country was missed.

• (2040)

The Canada Health Act addressed the problem of preserving the principles of medicare. It did little or nothing to change the present health care model, and then only symbolically. It did absolutely nothing to restore a sense of federal commitment at the funding level to the future of medicare, a failure which is coming home to roost now in 1986 when we are, once again, debating unilateral cut-backs in federal support for medicare. Full federal-provincial partnership in health care still needs to be re-established and Bill C-96, instead of doing that, further damages that federal-provincial partnership.

Leadership must be provided at the federal level in pioneering new health care directions through direct federal cost-sharing with provinces willing to take on the difficult but necessary task of developing alternative health care models. Leadership could also be provided at the federal level in creating and redistributing the wealth necessary to fund the health care system of the future. Leadership must also be shown in getting Canadians and their Governments to realize

#### *Federal-Provincial Fiscal Arrangements Act*

that in the final analysis good health is intimately related to everything else in our life, individually and collectively.

Instead we are faced with Bill C-96, a Bill which does two things. It leaves the problem of reforming our health care system to the provinces, and it asks them to do this with less money than the already limited sums they would have had if there were no unilateral cut-backs.

I am afraid that, under the circumstances, the cumulative pressure of continuing federal cut-backs, given the inertia and power of the established health care model, will be an increased temptation on the part of provincial Governments, particularly those which are not strongly committed to the principles of medicare, to seek more opportunities for private money, or user fees, to be a part of our health care system. This could be complemented to a degree by public demand, by those who can afford it, to be able to exercise such private buying power, in order to get to the head of the increasing line-ups for quality health care that will increasingly be created by starving the health care system of money. This is what I mean when I say the Conservatives are doing by the back door what they do not have the courage to do by the front door. Quality in our health care system, in terms of service, accessibility and care, is bound to decline, as, for demographic and technological reasons, medicare is asked to do more and more with less and less, and Canadians who can afford to pay to get better care will increasingly want to have that opportunity.

The pressure will be on with respect to hospitals for instance, for profit-oriented hospitals. The pressure is already on with pilot projects like the one in Hawkesbury, Ontario, under way for some time. I would like to deal with this issue for a moment if I have the time.

For-profit hospitals most certainly would be part of a trend to a two-tiered or multi-tiered health care system, a trend which would have a negative effect on the long-standing and often realized Canadian objective of equity, or equal access to quality comprehensive health care. This would be compounded over the years by a fragmentation of public support for public funding of health care, as those who felt they could afford some of the frills or services otherwise offered by for-profit hospitals would tend to make distinctions between themselves and other Canadians.

Though we often talk about health care consumers, a phrase I have never liked, the introduction of for-profit hospitals could bring out all the values implicit in such a term, and reintroduce the consumption of status as a component of our health care system. Those with the least status and income would eventually be reduced to wards of a weakened public system, as is the case in the U.S.A., or victims of the worst private operators, as is often the case in nursing home care right now in many provinces.

Americans who favour for-profit hospitals and the multi-tiered health care system that is to be found in the U.S. often call their system "pluralistic". This is an inappropriate use of a word or concept generally used to designate room for a variety