

*The Address—Mr. Stanfield*

effect costs are escalating faster than revenues. The findings of the tax structure committee confirmed this. Last year almost all the provinces had to increase taxes and despite that had large deficits. I suspect that this government intends to stand pat and let the provinces stew in their own juices. But this is not good enough. I say that the government of Canada must stop using the knee and the elbow on the provinces because it is the taxpayer who is getting hurt. The situation is rapidly becoming intolerable. Today we have bigger and bigger chunks of our income going toward taxes. Yet federal taxes increased last year and provincial and municipal taxes increased last year. The average municipal property tax increase across Canada has gone from 8 per cent to 12 per cent in the last number of years and this year will be as high if not higher.

We must ask ourselves when this will stop. The way to begin to stop is by having discussion and agreement on priorities. The provinces want to talk but the government seems to be reluctant to talk with them. The country today is not getting a co-ordinated approach. This is only possible if there is active co-operation. There is only inaction in respect of the request of the provinces to meet with the Prime Minister to talk about tax reform. He said he would not meet with them on that subject.

In this regard the attitude of the government toward the provinces on the subject of medicare, for example, is not only cold but borders on the irresponsible. I believe that the provinces want a program of medicare but nearly all the provinces are concerned about the financial effect and the effect it would have on their other programs of high priority. Obviously the pressure to join in the federal program is mounting because the taxpayers across Canada are paying their share of the cost of the program in the provinces where the program is in effect. Here again the provinces have joined in asking the federal government for discussion in this regard and have been refused. Surely this makes a mockery of the reference in the Speech from the Throne to priorities.

What a piece of cynicism it is now for the government to embark on a federal-provincial study of joint programs as announced recently by the Prime Minister. It is not only the provinces which have concern about some of these things; it is also the cabinet. The Postmaster General (Mr. Kierans), as reported on January 16 by the *Globe and Mail*, said:

If we insist in going ahead the kind of weight that we put on the economy is going to result—

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not by itself, but in combination with measures we take if we even ever take them to resolve our housing problem and our other problems—is going to put pressure on our economy to the extent that we will be facing a devaluation within a year or two at the outside.

This is what the present Postmaster General said in January. Again, in Halifax he said that the extra taxes medicare would require would hurt Canada's export position. Then in Toronto he said:

I want medicare, and I want it very badly, but I don't want it with a financial crisis.

Then we have the new Minister of Fisheries (Mr. Davis) who said that medicare should be postponed until such time as it can be financed without tax increases and that medicare should not be implemented until two-thirds of the provinces with two thirds of the population are prepared to join. We have no less a figure than the deputy prime minister, the Minister of Transport (Mr. Hellyer), saying, as quoted in the *Ottawa Citizen* of January 15, that a second look at medicare is needed. Then the following appeared in the *Montreal Gazette* for January 12:

Government's medicare policy is "a little inconsistent". This inconsistency comes from the fact that the government is urging restraint on the one hand, while encouraging wide-scale spending on the other. Mr. Hellyer indicated that if he wins the leadership at the April 4-6 convention, he will launch a complete re-appraisal of the medicare plan.

In the light of these opinions within the government and the clear difficulties of the provinces with regard to mounting taxes I ask why the government of Canada will not meet with the provinces to discuss the financial problems pertaining to this program. Is this sort of political blackmail consonant with the "just society"? We on this side of the house said we would meet with the provinces to discuss this matter with them. This surely is obviously right. Many members of the present cabinet obviously think it is right and said so quite freely when they felt free to say

● (4:10 p.m.)

The most striking indication of coldness and casualness in the Speech from the Throne toward the poor people of Canada is that there is apparently plenty of room for the poor in the just society envisaged by this government. In the Speech from the Throne we were given a lecture on the difficulties, complexities and the time it takes to do something about poverty. We all know that. We