

controlled by the provinces and we are not in a position to force them or to suggest that they do anything in particular that they do not want to do themselves. We are exploring with them certain ways in which savings might be achieved if they so desire.

Mr. Stanfield: The government of Canada is not proposing any specific ceiling for these expenditures to the provinces, nor any departure from the existing agreements except such new agreements as may be reached with the approval of the provinces?

Mr. Trudeau: Generally speaking that is correct, Mr. Speaker. We are not proposing any unilateral cessation of agreements which have been reached by both parties at the present time. We are suggesting that they either be phased out, if we have the right to phase them out, or that they be allowed to expire in certain cases and perhaps not renewed. We are taking the position that both parties together should look now for a decrease in expenditures before any renewal period or expiration period is reached.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the concern, particularly in Manitoba, which has been created by reports that the federal government would like to get out of medicare in 1972, can the Prime Minister assure the house and the country that as far as the federal government is concerned medicare is here to stay?

Mr. Trudeau: I think there is perhaps a misunderstanding on the part of the right hon. member. As he well knows—

Mr. Knowles (Winnipeg North Centre): Merci beaucoup.

[Translation]

Mr. Trudeau: Not at all, Mr. Speaker. I am happy to honour the hon. member.

[English]

As the hon. member should know—let me put it that way—the law is made for a period of five years, and after the five years it is the intention of the federal government to transfer tax points to the provinces so they can continue with the medicare program. In other words we, the federal government, are raising taxes now and giving the produce to the provinces. After five years when the program

Inquiries of the Ministry

is well established we suggest that the provinces raise the taxes themselves, and the federal government will evacuate that tax room to an equivalent amount.

Mr. Knowles (Winnipeg North Centre): Is it not clearly understood that any change at the end of the five year period would have to be by agreement between the federal government and the provinces, and not by unilateral action of the federal government?

Mr. Trudeau: My reading of the law—and perhaps we should not here be arguing the law—is that after five years, at the end of the scheme as it now exists whereby the federal government taxes for the provinces—it is a five year period in which the federal government will be helping the provinces meet the costs—there will be a straight transfer of the tax room.

Mr. Knowles (Winnipeg North Centre): Perhaps I should not have asked the question.

Mr. Fairweather: Is the just society of five years' duration?

Mr. Stanfield: Since the federal government is to vacate its responsibility for financing medicare at the end of five years, is it also the intention of the government of Canada to vacate the social insurance plan on its own if this is legally possible under existing agreements?

Mr. Trudeau: I am afraid the hon. member over there is showing his ignorance, but there is nothing new about that. The five years is not something I have invented today. It is something which has been set out in the law and which was discussed with the provinces at the time medicare was being set up. So there is nothing surprising about it.

On the point raised by the Leader of the Opposition, I might say in a general way that we indicated in 1966 and repeat now that it is our intention to get out of a lot of these areas of social services and let the provinces assume them. We will give them the tax room which goes along with these expenditures. We decided in 1966, and are following the policy now, to have all the provinces follow the precedent set with regard to the province of Quebec, whereby that province has much more tax room than the other provinces but also has much greater responsibility for the spending. This is nothing new. It was announced a full two years ago.