

depend on some garbled message which may have come through from Queen's Park.

Mr. Stanfield: I rise on a point of order, Mr. Speaker. I am wondering whether the literature which the minister was kind enough to send me of the statements by himself and the Minister of Finance (Mr. Turner) are garbled reports or am I entitled to regard those as authorized versions of the latest gospel?

Mr. Lalonde: Well, I can only conclude that the Leader of the Opposition could certainly have improved his service greatly had he obtained a copy of those statements the next morning in his office rather than in Vancouver. I would rather conclude that his master's voice from Queen's Park took no time to reach Vancouver, no more time than it takes to reach Ottawa these days.

I have only a few minutes, Mr. Speaker, and I wish to talk about the health resources fund. The health resources fund has been created to provide health training facilities in Canada. It provides for an amount of \$500 million over the next 15 years. Out of that at the present time, as of March 31, 1973, \$217 million have been paid to the provinces in contributions toward the costs actually incurred in creating the new facilities and another \$81 million is committed to projects under construction. So, there is a total of \$298 million committed to assisting in the creation of more than 150 projects forming the major part of our 16 health science centers across the country. But there is still a significant amount of money available in that category. There is an amount of about \$200 million. These funds will be used for major developments in the health research and training field over the next few years.

I must say that the proposed financial arrangements which are presently before the provinces contain provisions for \$640 million for thrust funds which are available for both capital and operating requirements. Capital projects which provide less costly alternatives to acute bed facilities could be provided from these funds. This amount of \$640 million would be available over a six-year period and, as I say, even if the provinces were not to use it in the six-year period they could still hold it in reserve. This amount should be compared with the \$500 million under the health resources fund which was intended originally for a 15-year period. So, that is not such a bad deal.

The provinces have had placed before them, therefore, a proposal which includes a form of tax-sharing approach to which the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) referred. I might say I am afraid that, in spite of our efforts to reduce the consumption of alcohol and tobacco, I am pretty sure there would still be fairly substantial sources of revenue there for many years to come. If our campaigns should improve that situation, I could almost turn the argument around and say that we could assume a reduction in health costs because of the reduced consumption of tobacco and alcohol. This would mean, therefore, that the provinces would require less money for expenditure in that field.

Under our proposals the provinces would have referred to them six per cent of the income tax revenue plus the revenue from the taxes on alcohol and tobacco which have been mentioned. During the period when the value to the provinces of these additional taxes is less than the total

Health Care

value of the federal contribution toward health, the difference would be made up by a cash payment to the provinces. At the point in time when the value of these taxes begins to exceed the federal contribution, the provinces would keep the surplus. That surplus could be used for health and any other purposes they might wish.

Mr. Speaker: Order, please. I have to interrupt the minister at this point for two reasons. First, his time has expired. Second, it is one o'clock. If the minister requires only a few minutes more to complete his comments, and if members would grant him unanimous consent, he might be allowed to continue now or at two o'clock. In this respect, the House is in the hands of members. Perhaps we could have an indication from the minister whether he could conclude in the next few minutes or whether he would prefer to resume at two o'clock.

Mr. Lalonde: We could adjourn now, Mr. Speaker. I would require just a few minutes at two o'clock, if that is agreeable.

Some hon. Members: Agreed.

Mr. Speaker: It being one o'clock I do now leave the chair to resume the same at two o'clock.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[Translation]

Mr. Lalonde: Mr. Speaker, I would like to thank all my colleagues who agreed to give me those few minutes to complete my remarks. I will deal very briefly with our proposal in the field of fiscal transfer.

[English]

I have heard several comments in the House about the transfer of the excise tax on alcohol and tobacco. Some hon. members seemed to feel that this was some kind of "bad tax". I am surprised at this introduction of the new concept of bad and good taxes according to the items which are being taxed and according to some moral criterion which should still be defined. The only thing I can say is that be they good or bad—and I suppose all taxes are bad—nevertheless no one has as yet invented a better solution to finance public expenditures. The fact is that the federal government has been spending large sums of money, I think over one billion dollars, over the last year. I am sure that the province of which the hon. member for Nanaimo-Cowichan-The Islands was premier would not hesitate to impose a tax on alcohol and tobacco to finance its operations, and the same would be true of the province for which the Leader of the Opposition was speaking a few years before he moved to leaner pastures. The federal offer, therefore—and I want to spend more time on this question—is a response to the provinces, both in terms of program control and flexibility and in terms of the willingness of the federal government to shift tax resources to the provinces as a means of financing federal contribu-