in Canada in recent years that three alternatives were imminent: first, the standard of health care available could be reduced; second, tax premiums or deterrent fees could be raised even higher; third, ways had to be found to restrain the growth of cost increases through the better operation of the health service structure in existence.

● (1520)

I know the government will probably say that Bill C-68 achieves the last goal, to restrain the growth of cost increases. I am equally sure the members of this House who have spoken on this bill and others who will speak are convinced that Bill C-68 leaves open the potential for the other two options, reduced health services and increased taxes and premiums. Let us look at what is happening in Ontario, for example. The government announced last June that ceilings would be put on federal involvement in medicare. Bill C-68 has been introduced and the government of Ontario has found it necessary to begin a program of hospital cutbacks, including closure of a number of the smaller rural hospitals.

While on this point, it has been brought to my attention that the leader of the provincial Liberal party has been moving across the province speaking about the heartless actions of the present Queen's Park administration. If he were really honest and sincere in this matter, he would be making his appeals here and launching protests with his confreres regarding their cutbacks in medical costs. This has a vital bearing on the whole question of the provision of health care including hospital care in the province of Ontario.

I would like now to question the basic premise of Bill C-68. The government has admittedly introduced Bill C-68 in order to encourage economies in medical and health care. This bill, however, has no way of ensuring this. Nothing in the bill stops the provinces, for example, from improving their health care services and nothing stops doctors from demanding salary increases. Actually, all this bill does is ensure that if either of these two events should occur, the provinces will have to pick up the extra cost either in the form of increased premiums or from provincial revenues. In short then, if costs still continue to rise, and they probably will, the provinces will be faced with three alternatives: first, to set aside other necessary programs so that the provincial treasury can cope with the extra burden; second, to increase premiums to offset increased costs; third, if they cannot meet the budgetary restraint, medical services will have to be reduced. These are three very unhappy alternatives, to say the least.

Bill C-68 is following basically the 1969 task force recommendations concerning the need to face up to rising health costs. Unfortunately, the government's action has put Canadians in a situation where they are faced with the two alternatives that the minister's predecessor rejected outright as not alternatives at all, that is, reduced health care services or increased premiums and/or taxes. In other words, the Minister of National Health and Welfare (Mr. Lalonde) has put the provinces in a position where if medical costs increase at a rate greater than that allowed by the 1975 ceilings, the provinces will be forced to seek those very solutions that the federal government foresaw as unacceptable and undesirable in 1969.

[Mr. Patterson.]

As we are all aware, the British North America Act does not make any provision for cost-sharing practices between the federal and provincial governments grounds for being in the health field, except possibly under the peace, order and good government residual clause of the BNA Act. Both cost-sharing and federal involvement are the result of convention and the ongoing process of developing Canadian federalism. The practice of cost-sharing, not only in health but in education, welfare and other areas, has helped to maintain national standards. As well, the very principle of co-operative federalism has become one of the unique and distinguishing features of our nation's federal structure. The government's five-year notice for its withdrawal from the present hospital insurance plan, and the imposition of ceilings on contributions to medical insurance threaten both the principle and practice of co-operative federalism.

I would draw to the attention of the House that in the initial move in this direction the federal government insisted on introducing the plan. I well remember the controversy at that time. The rumors, and I do not think they were ever refuted, were that the government was just about at the point of letting the whole plan drop. It was suggested that they make a try with one province. The premier of that province came to Ottawa. Almost hilariously, the government announced that approval had been given and the program would proceed. Therefore, it was at the instigation of the federal government that this plan was initially put into operation.

As far as I can understand, the promise was given without any qualification that the federal government would pay an average of 50 per cent of the cost. I do not think it was an over-all 50 per cent for each province. It was more of an average, with the result that some provinces did not receive 50 per cent while others did. In any event, the federal government promised, without qualification, to pay an average of 50 per cent of the cost. In view of the fact that the federal government instituted the plan and placed pressure on the provincial governments to participate in it, they should be duty bound to continue the formula until a program is in place which is mutually satisfactory to the federal and provincial governments.

Lower cost service programs should be in place before we contemplate any reduction in present medical services. This can only be accomplished by adequate consultation and effective co-operation between the federal and provincial governments. This consultation and negotiation is absolutely necessary in the circumstances existing at the present time. In conclusion, the federal government is duty bound to co-operate with the provinces until a satisfactory solution is found. When the provinces agree on a formula that is fair and equitable, possibly then the federal government can move in the direction proposed in this legislation. However, it is morally wrong for them to do so before this takes place.

Mr. John Rodriguez (Nickel Belt): Madam Speaker, I rise to speak in support of my colleague's amendment which calls on this House to hoist Bill C-68 for a six-month period. This is a very reasonable amendment. It would give the Minister of National Health and Welfare (Mr. Lalonde) and his provincial counterparts time to get together to