

Dominion-Provincial Relations

reminded of another occasion when it was 20 cents on the dollar. In 1945 the Liberal government, as set out in the green book proposals—and those books are available, too, with the covers on them—

Mr. Pickersgill: They were always public.

Mr. Knowles (Winnipeg North Centre): — offered a health program to which the federal government was prepared to contribute \$150 million a year. That was in 1945. It was three years before Mr. King even began to implement that promise, and what did he come down with? Thirty million dollars a year, or one-fifth of what was promised; twenty cents on the dollar. As a matter of fact right until the present time, when we are hoping to get the Hospital Insurance and Diagnostic Services Act into operation and when there have been some increases in the hospital construction grant, the amount being paid by the federal government in relation to the promise made in 1945 is still of the order of 20 cents on the dollar. Apparently hon. members across the way learned this technique of getting by with their promises at the rate of one-fifth from their predecessors in office.

We think that the people of Canada still feel this is not good enough. Promises which are made should be kept. We think the people of Canada still want full implementation of an adequate health program and an approach to federal-provincial fiscal arrangements which envisages not just a different sharing of the taxes received but a raising of the per capita income of our people, the raising of the standard of services provided for our people, and the raising of the standard of living generally for all our people in a united Canada.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, it is not our intention in this group to unduly delay the passage of this measure. I believe it is recognized that we in this group believe in stating our position clearly and positively, but that we do not talk for the sake of talking.

My leader briefly but very adequately outlined our position with respect to this particular bill when he welcomed the proposal but voiced some misgivings with respect to the method employed in its introduction, and also the possible danger that this gesture on the part of the dominion government might be used as an excuse for not calling any further dominion-provincial conferences.

It was a source of disappointment, regardless of what reasons may have been given for the change, to find that the apportionment for British Columbia has been reduced from \$5,500,000 to \$2,800,000. Regardless of what

reasons may have been given, it was a let-down to be told first of all that it was \$5,500,000 and then to find that it had been reduced by so large an extent. The provinces are facing increasing difficulties in providing facilities and services needed by their people.

The previous speaker has outlined some of the responsibilities which devolve upon the provincial administration with regard to education, health, and other services, and we are all aware of the tremendous increase which has taken place in the cost of providing those services for the people. The various provincial and municipal authorities across the country are finding it almost impossible to keep up with the demand occasioned by increasing population, especially when the cost of providing such services has increased to so great an extent.

However, there is another factor which we must recognize, and it is this. During the past two years or so we have been suffering from the effects of a fiscal policy which was introduced by the late administration and which is commonly referred to as the tight money policy. The dangers of the policy had been outlined and stressed on many occasions, but seemingly unmindful and heedless of these warnings the late administration continued that policy, with the result that governments at the municipal and provincial levels encountered almost insuperable obstacles in the discharge of their responsibilities.

The present Progressive Conservative government takes credit to a certain extent for an easing of those restrictions, but I would suggest that even up to the present time the easing of restrictions has not resulted in any considerable assistance in these particular fields, and until there does come a time when we get back to normal and municipal and provincial governments can secure adequate finances at reasonable rates and in the amounts that are required, we are still going to be up against a most difficult problem. I would point out with regard to the \$2.8 million for the province of British Columbia that it is extremely meagre compensation for the loss occasioned by the tight money policy that has been in force for some time.

The matter of dominion-provincial fiscal arrangements is becoming one of urgent importance. As I have said, through the unjust and unsatisfactory division of the tax dollar the provinces and municipalities are unable to fulfil their constitutional responsibilities. It was pointed out yesterday that approximately 74 cents out of every tax dollar accrues to the federal coffers, and I would suggest in view of the responsibilities that