

Oil and Gas

do not know. However, if, when I have finished, I have in the opinion of the hon. member distorted the facts, I invite him to take part in the debate and put the facts on record. Every time a member over there speaks in the way the member for Welland apparently intends to speak, he drives another nail into the coffin of Mr. Robert Nixon's hopes of becoming premier of Ontario.

Some hon. Members: Oh, oh!

Mr. Orlikow: I would be happy to hear the hon. member make a speech. Although Quebec and Ontario are in favour of tax transfers, rather than cost-sharing, they too support the inclusion of a greater range of services if cost-sharing continues.

In his budget, the Minister of Finance gave the required five-year notice to terminate the existing agreement with the provinces on the funding of hospital insurance and diagnostic services. This notice places pressure on the provinces to agree to a new cost-sharing formula. The proposed ceilings on the federal government's contribution to medicare costs are inadequate as far as the provinces are concerned. The federal government estimates that medicare costs will increase in the current year by 16.6 per cent, and it hopes to keep next year's increase down to about 14.5 per cent. After taking inflation into account, that does not leave much room for improvements in services, about which the Minister of Finance talked today and about which the Minister of National Health and Welfare (Mr. Lalonde) talked eloquently on many occasions.

● (1200)

Just prior to 1974, the government released a paper on the health of Canadians, calling for a much greater emphasis on preventive medicine. In order to reduce our dependence on high cost acute-care hospitals we shall need to provide a wider range of lower cost preventive services including, for example, pharmacare, the use of paramedical staff instead of high-priced doctors and relatively high-priced registered nurses, denticare and so on. It is unrealistic to place severe restrictions on the expansion of medicare services while at the same time calling, as Ottawa does, for improvements in the health of Canadians.

Again, the finance minister's approach to medical services demonstrates his tendency to abdicate responsibility wherever possible. In this case he is proposing to leave increased medical costs and responsibilities to be dealt with by the provinces. The same applies to the cost of hospital care. The provinces are supposed to maintain a high level of services despite severe cutbacks in federal funding or, as is more likely, to continue to pick up a greater and greater share of the tab while the federal government goes ahead throwing good dollars after bad in one mad corporate giveaway after another.

One hon. member opposite asked me for some figures relative to Ottawa's share of the cost. Let me tell him what would happen in the Province of Manitoba and in the Province of Ontario, part of which he is supposed to represent. As I said, the provinces have resisted the desire of the federal government to put a lid on open-ended cost sharing of universal programs, programs which the federal

government itself instituted. Ottawa has suggested new formulas involving basing its contributions on a scale tied to a five-year moving average increase in the gross national product. This proposal was rejected for obvious reasons by all the provinces.

What will be the effect of this new proposal by the federal government? Under the present cost-sharing arrangements, Ottawa supposedly pays half the national per capita cost of medicare. Hospital insurance is more complicated. There, the formula calls for 25 per cent of the cost in the particular province plus 25 per cent of the national per capita cost. Thus, the formula means different things to different provinces. Wealthy provinces such as Ontario, which offer more extensive health care than the national average, have not received the benefit of 50-50 cost sharing. On the other hand, the poorer provinces, such as Newfoundland, finance a large percentage of their health programs through federal contributions.

What happens in my own province? Manitoba, which sits precisely in the middle when it comes to almost all national measurements, has been receiving exactly half its cost of hospital and medical insurance. Officials of the Manitoba department of finance calculate, on the basis of very rough projections, that the arbitrary ceilings imposed on future medicare contributions—13 per cent in 1976, 10.5 per cent in 1977 and 8.5 per cent in 1978 and thereafter—will begin to hurt Manitoba by 1980. By 1985, the deficit to be picked up by the provincial treasury will amount to between \$40 million and \$50 million in terms of medicare alone. By that year, it is projected, the deficit will be running at about \$15 million annually. This does not include the impact of a similar arbitrary formula expected to apply to the much more costly hospital insurance program beginning in 1980. Here, the actual cost to the province would be at least another \$15 million annually. These are very conservative projections.

Medicare costs have been rising on an average between 9 and 10 per cent in the last several years. The increase in hospital costs has been much steeper—between 1970 and 1974 they rose from \$90 million to \$157 million while in the same period medicare costs showed a more modest increase from \$52.5 million to \$58.4 million. The provinces are now faced, however, with difficult negotiations with the doctors, and medicare costs will undoubtedly increase very substantially. I notice that the hon. member for Welland (Mr. Railton) is leaving just when I am about to put on record the effect of the government's proposals according to the hon. member's own provincial treasurer—how much they are likely to cost the people of Ontario.

This is what the Ontario provincial treasurer has to say about these proposals, this package, which, as I have said, if approved, will make the present government the most reactionary government Canada has seen in almost 50 years. This is what the Ontario provincial treasurer has to say about them:

Provincial priorities are distorted by the availability of federal dollars . . . Capricious changes in policy by the federal government leave the provinces stranded to carry the burden of programs which were often imposed upon them in the first place . . . Unilateral imposition of arbitrary ceilings on the rate of growth of federal contributions is unreasonable . . . Provincial administrative structures are interfered with . . . Rigidly defined criteria for eligibility result in inequities, feuds and distortions. Administrative costs are unnecessarily high.