

*Federal-Provincial Fiscal Arrangements*

tives. It must therefore be considered an essential supplement to the bill now before us.

In the health care area, our main concern over the years has been for the financial aspects of shared-cost programs. Simultaneously however, we have participated with the provinces in various projects such as the development of health standards, manpower studies, program assessments, program data analyses and the development of special expertise such as the extension of various techniques to health care.

The federal government will continue its efforts in those areas and we want to maintain close co-operation with the provinces and other health groups so as to implement and maintain priority projects along those lines. To conclude, Mr. Speaker, the new financial arrangements with respect to health insurance and the new health programs will provide the provinces with the increased flexibility and financial help needed to improve their health care systems. Those arrangements, in addition to the new initiatives by the Canadian government in the social services areas and primary health prevention, and to the continued participation and leadership by the government in other health areas, will assure Canadians of constant progress in the achievement of the basic goals of our health and welfare policy.

● (2040)

[English]

**Mr. John C. Crosbie (St. John's West):** Mr. Speaker, I wish I could rise to congratulate the government on the legislation that is now before the House but I am afraid that is impossible, not that I would vote against it, because too many of the provinces of Canada would suffer damage if the House were to defeat these iniquitous conclusions which are now before us. What I would point out in my remarks tonight is just what happened on the way to these conclusions.

If we look at what happened within the last year or two of negotiations on fiscal arrangements, I believe we will see to a very great degree why the people of Canada and the provincial governments today feel there should be some different constitutional arrangements in Canada. They feel that way because of the rough way they have been treated in these negotiations by hon. gentlemen opposite.

I should like to entitle my remarks tonight "A Funny Thing Happened on the Way to the Forum", and to tell the House some of the funny things that happened on the way to the conclusions which are before the House tonight. This is the forum that the funny things happened on the way to; I do not know of any funny things that happened in the forum, but some funny things happened on the way to get here.

Why do the provinces feel aggrieved, and why are the people of Canada feeling aggrieved? Why is it that practically every article one reads these days refers to the fact that there is a need for more decentralization within Canadian constitutional arrangements? Why is there this demand now, which has become particularly prevalent within the last six months or a year? This demand has arisen, in my opinion, as a result of the roughshod way that hon. gentlemen opposite have run over all

[Mr. Lalonde.]

the provinces on the way to reaching the conclusions that are now before this House in the form of this legislation.

The provinces of Canada, or at least seven of them, badly need the financial assistance that is offered in this legislation. If I use as an example the province I am most familiar with, the province of Newfoundland, there is no question that the province of Newfoundland needs the tax equalization and contributions to shared cost programs which are contained in this bill, and I would have to vote for the bill for that reason. Newfoundland is to receive a tremendous amount of revenue, and since it is so important to the general scene in Newfoundland I cannot very well vote against the bill.

I have some figures here, Mr. Speaker. For example, in 1975-76 of the total revenue of the province of Newfoundland the government of Canada contributed 52.4 per cent by way of tax equalization and shared cost programs on both current and capital accounts. For 1976-77 the amount estimated is 51.7 per cent, or some \$461 million of revenue which the government of Canada will contribute to the province of Newfoundland. This does not mean to say that because the government of Newfoundland receives a large share of its revenue from the government of Canada that we are just going to lie down and take whatever is handed to us without expressing any independent views on what happened to reach this conclusion and what should have happened.

Provinces like Newfoundland badly need financial help and hon. gentlemen opposite, knowing that, feel that they can throw their weight around without fear or trepidation for that reason. I want to show this House some of the ways they have done that, Mr. Speaker. It is my view that the process by which this result was reached was not an example of co-operative federalism. We used to hear a lot about that from hon. gentlemen opposite, particularly when the Prime Minister (Mr. Trudeau) first took office. We were going to have co-operative federalism. What we have in this bill is not co-operative federalism but the result of strong arm federalism. It is the result of forced put federalism; it is the result of bully boy federalism, not co-operative federalism. It is arm twisting federalism that we see in the legislation that is now before the House.

We also used to hear a lot about participatory democracy. This bill is not an example of participatory democracy but of closed conference autocracy. This is what is before us tonight. The great participatory democrat of 1968 has become the closed conference autocrat of 1977—make no mistake about that. If the Minister of Finance (Mr. Macdonald), with his brass knuckles, is not sufficient to quell the ten provinces, then out comes the Prime Minister himself, the expert with the stilleto, the expert in fiscal Kung-Fu, to put the final kibosh on the provinces.

There are five things wrong with the arrangement now before the House. It is forcing the provinces to take all the risks in regard to the increasing cost of hospital and medical care as well as in post-secondary education, but particularly in regard to the first two, hospital insurance and medicare. The federal government is putting the onus of meeting increased