

Private Members' Business

Mr. Bérard apparently delivered a speech in Ottawa on how the process of decentralization is an inescapable force for both businesses and governments at all levels.

Mr. Toulon makes reference that Mr. Bérard argues that those levels of government responsible for the spending of the money are the ones who should decide how health care, education and income security should be organized:

Citizens are more vigilant and can have more direct control over the actions of provincial and local governments when it comes to the spending decisions on behalf of the public interest, Mr. Bérard believes. In a country as large and diverse as Canada it is clear that many citizens feel Ottawa is a remote, lumbering government that cannot be controlled by them.

"The nearer the level of government is to the citizens, the more merciless these citizens are when they see public waste. They know that they are the ones who will ultimately pay. They are merciless because they know that they will have real power; that their voice will be heard; that their vote will not be diluted by millions of others", Bérard said.

He goes on further to sing the praises of decentralization.

That is basically what we are saying in this motion. There needs to be more flexibility. That kind of authority can go to the provinces and they can get on with providing health care according to the five major principles. Then they will be evaluated by the people in the province.

• (1115)

Another component in the health care system that needs some serious revamping is funding. The initial agreement between the federal government and the provincial governments was a 50:50 split. Over the years that has eroded. We have a system of tax points and cash payments known as established program financing. Because the tax points grow over time as the economy grows, the cash portion of EPF is shrinking. It is down to 23 per cent now from 50 per cent.

Established program funding was introduced in 1977, replacing the cost sharing of post-secondary education and health care with a fixed per capita block funding transfer. That was the first time federal funding growth was unrelated to provincial program costs. It was designed to increase the rate of growth in population and in the national economy.

Over the years further amendments were brought into the EPF system. In 1986, Bill C-96 reduced the growth of the EPF transfer. The payments were still tied to economic and demographic growth but their annual per capita growth rate was 2 per cent lower than what it would have been under the old formula.

In 1991, Bill C-69 froze the EPF transfers at their 1989 levels. That was to be applicable for two years. In 1991 Bill C-20 extended the freeze on the per capita transfers to provinces for

another three years. Therefore the provincial entitlements will continue to increase at the same rate as the population.

Beginning in 1995-96 the rate of increase of the EPF entitlements will be limited to per capita rates of increase in the GNP minus 3 per cent. We continue to play little games in the funding component of our health system.

Instead of just health and post-secondary education in the block transfers, government has added welfare into the block. From an article on April 13 in the *Globe and Mail* entitled "Ottawa is trying to heal health-care strife", by Edward Green-spon, he says:

Part of the logic of lumping the three programs into a single fund was to allow Ottawa to blur their minds of where cuts fell and to pass to the provinces the hot potato of how to distribute the pain.

Further along in the same article, he goes on to say:

Figures in the budget show that Ottawa will, in fact, reduce its cash transfers over the next three years to \$10.3 billion from \$17 billion, a rollback of almost 40 per cent. And the government has given no assurances of when it will end.

Federal funding in support of health insurance and services should be unconditional and should recognize different levels of economic development in the provinces.

The federal government has established five fundamental principles via the Health Care Act. It needs to be looked at from the point of view of interpretation. It is a little ambiguous in that the government can interpret it one way and the provinces can see a different interpretation. We also need to look at whether we actually need the cash component of the EPF as a whip to keep the provinces in line. Is that really necessary?

In the article to which I made reference, I beg the question whether it is actually necessary to have that kind of control over the provinces. If one decentralizes it into the provincial area, the people will rise up and say what they want. If they are not happy with what they are getting, especially if they have the five guiding principles from the national government to make some sort of evaluation judgment, they will rise up and tell their government to spend their health care dollars with less waste or they can vote the government out and get one which will provide the services.

• (1120)

Put the control there. Let the provinces establish the methods of providing health care according to the five basic principles, and define them a little better so they are not ambiguous interpretations, and let the people judge whether they are satisfied.

In the *Ottawa Citizen* on May 1 an article entitled, "Time for a tonic" stated: "The provinces—are demanding more leeway in controlling their costs. And increasingly, provincial cost-cut-