

Federal-Provincial Fiscal Arrangements

Mr. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the hon. member seems to be getting very excited. I can only assume he has not read the bill; or if he has, he does not understand it. The fact is that this bill will destroy the very thing which since 1945 successive federal governments have been seeking to establish, namely, national standards for the people of Canada by which the federal government, through equalization payments and sharing the cost of programs on a 50-50 basis, could assure that a little province like Prince Edward Island would be able to give its people services that are comparable to the wealthiest province of Canada, the province of Ontario. I have shown, by using the federal government's own figures, that rather than equalizing revenue, the bill before us gives the preponderance of that revenue to the wealthy provinces at the expense of the poorer provinces.

Let me conclude, Mr. Speaker, by saying that if this country should break up—and God forbid that should happen—it will be because we have failed those who have gone before us. This country was founded by men and women who had a dream that it was possible to bring together diverse groups of people with different cultural backgrounds, who spoke different languages but who could live together in a spirit of tolerance and good will. They believed it was possible that the strong would help the weak, that the wealthy provinces would help succour the poorer provinces and that we would build a standard of Canadian living which would be our pride. If we fail to do that, then we are not worthy of those in whose footsteps we follow. My plea to the Canadian House of Commons is that we should make up our minds that we will not allow either apathy or bigotry to destroy the Canadian dream.

Mr. Bob Kaplan (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I want to begin by assuring all members that I am not standing up to disagree with the noble sentiments expressed by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas). All members, all federalists in the House and in the country, must surely support the goals he has put before us. What I am standing up to say is that this is not a bill which will destroy Canadian federalism. What would destroy Canadian federalism would be to take the kind of position that that hon. member advocated. It is true that we have achieved high national standards in the field of health, the field to which he referred particularly and to which I will return in a moment. But what is the trouble with the socialists in this House is that they have no confidence in the provincial governments to maintain these programs which constitutionally are under their responsibility.

Socialists want to centralize all power. They want Ottawa to determine what should be the level of post-secondary education. They want the federal government to determine what the level of help should be. They want the federal government to determine the way hospitals should be run.

● (1630)

Mr. Douglas (Nanaimo-Cowichan-The Islands): Nonsense.

[The Acting Speaker (Mr. Turner).]

Mr. Kaplan: More centralism is not the salvation of federalism in Canada. The salvation of federalism in Canada is to enable the provinces to do things within their constitutional jurisdictions. And that is what this legislation is about.

It is not a question of money. I am going to come to the question of money in a moment, because the socialists even have that backwards, though thankfully the hon. member for Kingston and the Islands (Miss MacDonald) did not. The hon. member for Nanaimo-Cowichan-The Islands read a chart to try to show—wrongly, I will argue, and as I will demonstrate—the perverse impact of equalization payments.

There is a certain irony in listening to opposition parties as they talk about the government's legislative program. Yesterday I listened to the hon. member for Winnipeg North Centre (Mr. Knowles). I will summarize what he had to say and then read some of his remarks. If this legislation goes through, the hon. member for Winnipeg North Centre—

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I realize the hon. member is confused, but he is referring to the hon. member for Winnipeg North (Mr. Orlikow).

Mr. Kaplan: Thank you. If this legislation goes through, he argues, the quality of post-secondary education will go down; student tuition fees will go up; post-secondary education institutions across the country will be threatened, and many will have to close; it will be more difficult for young Canadians to get a good education. Looking at the aspect of health, he says the health of Canadians will be adversely affected by this legislation; their health will begin to deteriorate; high user charges will have to be introduced, he argues; and says it is not far down the road before the quality of medical care will go down. Let me quote a few sentences from what he said yesterday. As reported at page 3271 of *Hansard*, he said:

The provinces will have to reduce the level of service they have been providing. Fewer young people will be able to attend our universities and community colleges. There will be less of a guarantee of payment for hospital care. People will not receive the same kind of service from their doctors. Either all that will happen or the provinces will have to increase their fees. University fees will have to be increased substantially. It will be necessary to implement a deterrent fee for those entering hospital. It will be normal for people to have to pay a charge to see their doctor.

Doom and gloom, Mr. Speaker. That reminds me of what the Conservative party was saying ten years ago when medicare was introduced. I do not have the appropriate *Hansard* before me, but I can get it if necessary. They said that if we entered this program the quality of medicare would go down. What has happened? The quality of medicare has gone up. They said doctors would leave the country in great numbers if the program—the changes to which are now of such concern to the socialists—were introduced.

On the contrary, in the last few years there has been a net immigration of doctors under this legislation, not emigration. They argued ten years ago that medical schools and universities would close down and that young people would stop wanting to be doctors. The opposite has happened. In the last ten years not only have medical schools been as full as ever,