

Oral Questions

ORAL QUESTION PERIOD

[English]

FINANCE

POSSIBLE STUDY OF ABILITY OF PROVINCES TO ASSUME
ADDITIONAL COSTS FOR MEDICARE—SUGGESTION NO TAX
POINTS BE GIVEN IN LIEU OF FEDERAL CONTRIBUTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I should like to put a question to the Minister of Finance. He gave an answer to my colleague the hon. member for Winnipeg North Centre yesterday concerning the decision of the federal government to reduce substantially its cost contribution for medical and hospital services in Canada vis-à-vis the provinces. Has the Department of Finance done a study of the relative ability of the different provinces, particularly the poorer provinces, to pay for the approach he has announced, including the possibility of a transfer of tax points to the provinces?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, we did not talk in terms of tax points. I recalled to the attention of the House yesterday the proposal of the federal government to the provinces during the tenure of my predecessor as minister of finance, the present House leader. We have no current proposal to that effect before the provinces.

With respect, Mr. Speaker, I should like to amend the wording in the preamble to the hon. gentleman's question. He put it in terms of cutting the cost and extent of hospitalization and medicare. What we have tried to achieve with the provinces over the last five years is some curtailment in the rate of escalation or increase in health costs in this country to more firmly adjust it to the growth of the country and its ability to sustain those costs.

I repeat what I said to the hon. gentleman's colleague who held the fort in his absence yesterday, that the Minister of National Health and Welfare and myself have reaffirmed, and will undoubtedly do so again when the amendments are before the House, the commitment of the federal government to maintain its present high level standard and universality of health and medical care services in this country.

Mr. Broadbent: A supplementary question, Mr. Speaker. Without accepting the premise which the Minister of Finance implies, namely, that the federal government is more concerned about cutting hospital service costs than the provinces, and assuming, as the minister confirmed, that there is to be an across the board reduction of payments to provinces in the next few years for medical services, may I ask if the relative burden of paying for medical services will not be greater for the poorer provinces than for the richer provinces, because of the action the federal government has taken?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, according to the proposition that was entertained in the discussions which took place with the provinces during the last five years, adjustments were to be made, and the various respective abilities of provinces to pay, according to the tax base, and so on, were noted. Obviously, this is underlying the equalization payments which are given to sustain equality of ability to provide equivalent public services

[Mr. Speaker.]

across the country. Obviously, that must remain the relevant consideration.

Mr. Broadbent: Mr. Speaker, may I ask a final supplementary question? Will the minister assure the House that he will not yield to the pressure of the province of Ontario, and of other rich provinces, to give tax points to the provinces in lieu of the government's reduced contributions to medical service payments in the years ahead, as such a move would be regressive?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I can agree with the assumptions underlying the hon. gentleman's question. The transfer of tax points to compensate for taking over the administration and total funding of those programs would weigh unevenly across the country, as those tax points are worth more to some provinces than to others.

Mr. Broadbent: What is the answer, then?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the answer is that I assume the thrust of the hon. gentleman's question is the same as my own.

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ENERGY

POSSIBILITY OF LICENSING ITALIAN COMPANY TO
MANUFACTURE CANDU REACTOR—GOVERNMENT POSITION
ON CONTROL OF SALE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, obviously, my caucus is out of control. May I ask the minister a question about the government's policy on CANDU reactors? Has the government given approval to Atomic Energy of Canada Limited to negotiate an agreement with an Italian engineering company, with a view to allowing that company to be licensed in future to manufacture and market CANDU reactors elsewhere in the world?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, I advised the House on December 20 that AECL had been authorized to enter into a licensing agreement with the Italian company. The terms of such agreement would have to be brought back to the government for final approval.

Mr. Stanfield: A supplementary question, Mr. Speaker. Does the government expect to keep control over the destination of the technology and equipment, or reactors, under such an arrangement and, if so, does the government contemplate retaining permanent veto powers over where our CANDU reactors can be sold under that licensing arrangement and over the terms and conditions under which such reactors can be sold by such licensee?

Mr. Macdonald (Rosedale): Yes, Sir.