

Oil and Gas

New Brunswick, provinces which already find it difficult to pay their 50 per cent share of health care costs, spend money wastefully? Do they not want to reduce their costs, even more than the federal government does? Now, it will be difficult for them to co-operate with Ottawa. What can they do to moderate the rapid rise of their health care costs? Ottawa is saying to them, "We are limiting our spending in this field. If you cannot reduce your spending, you must carry the extra burden yourselves."

The Manitoba health minister's position was exactly the same as that of the minister in Quebec. He sent the federal Minister of National Health and Welfare a telegram, which reads:

Needless to say, your government's decision to proceed with major financing changes on a unilateral basis is a serious disappointment to our province and, I assume, to most others—all of whom in good faith have been devoting a great deal of staff, time and effort to the joint study of cost-saving alternatives. Not only does the decision represent an apparent breach of our earlier understanding but also, and more importantly, it suggests that your government has every intention of implementing legislative changes which will cause the primary financial responsibility for the future reform of health care and for the maintenance of existing service standards to be borne by the provincial governments and their taxpayers. Given the recognized limits of provincial budgetary capacities, it is obvious that such a decision would represent a significant threat to our national health standards—standards based on a system which the federal government itself initiated."

● (1150)

I will come back to that in a moment. However, we must keep in mind that the province of Saskatchewan implemented a universal hospital insurance plan which covered every citizen in that province on its own. After that, the federal government brought in legislation to the effect that Ottawa would pay 50 per cent of the cost of a hospitalization plan in any province with a universal plan.

There were many provinces, such as my province of Manitoba and Ontario, which had voluntary plans such as Blue Cross. A large percentage of the people in those provinces were at least partially covered by hospital insurance. I remember the former premier of Manitoba, Mr. Roblin—I was a member of the legislature at that time—saying to Ottawa that that province did not want a universal plan. He said they had a good plan and all they wanted Ottawa to do was help pay the cost of insuring those people who could not afford the voluntary plan. The province of Ontario made the same statement. Ottawa said, you cannot get any money from us unless you have a universal plan. Those provinces were dragged, kicking and screaming, into the universal plan. I approved of Ottawa's approach at that time, but having dragged the provinces into universal hospitalization, it now says: sorry, we are not going to continue to pay 50 per cent of the cost.

Exactly the same thing happened in the field of medical insurance. The province of Saskatchewan, under a CCF government, brought in a universal plan which they financed. Following a study by Mr. Justice Hall, who was appointed head of a commission to look into the whole matter of health care by the former Conservative government, the recommendation was essentially to endorse what Saskatchewan had done and recommended the same kind of plan for the whole of Canada. Ottawa again passed legislation to the effect that the federal government would pay 50 per cent of the cost of medical insurance, providing it was a universal plan.

[Mr. Orlikow.]

I can remember the Conservative government of Ontario opposing that scheme brought forward by a Liberal government in Ottawa. They said they did not need this plan because voluntary plans covered most of the people in that province. Ontario wanted Ottawa to share in the cost of insuring those people who did not belong to the voluntary plans which were doing such a good job. Again Ottawa said, nothing doing; either come into the universal plan or these tens of millions of dollars you could get with a universal plan will not be available to the people of Ontario. Therefore, the Ontario Conservative government was forced to accept Ottawa's proposal, again on the basis of 50 cents of every dollar of cost being paid for by the federal government. What did the Minister of Finance (Mr. Turner) do in his budget speech the other night? He torpedoed that plan. What we have now is the most reactionary government this country has had in over 30 years. That is a real statement of fact as to where we are at the present time.

Let us look at what the effects of proposals of the Minister of Finance will bring when they are implemented. In 1971, the Department of National Health and Welfare proposed a new arrangement for sharing hospital and medicare expenditures. Basically, the proposal was that the federal contribution be based on the amount payable in a base year and be increased on percentage changes in the gross national product on a per capita basis. A joint study by the provinces showed that most would experience a serious shortfall in revenues under this proposal and subsequent modifications. In a few moments I will give some illustrations how at least two provinces will be affected by the minister's proposals. Even though British Columbia would have received more money under this scheme, it, too, rejected it on the grounds that it would destroy national health standards.

At the January 1975 meeting of health ministers, no agreement on a new cost-sharing plan was reached. However, the federal government agreed to the establishment of a committee to study the inclusion of other health services like home care, presently not included under cost-sharing. It should be obvious to anyone, even Liberal backbenchers who jeer at any concrete proposal if it is not made by a cabinet minister, that home care is a lot more economical than hospital care which now costs between \$75 and \$100 a day. A meeting on this subject was supposed to have been held this month.

At present, the provincial governments are carrying about \$1.5 billion in programs not included under cost sharing. This is expected to increase to about \$119 million annually by 1978-79 and to be supplemented by another \$800 million annually in new programs developed between now and 1978. The position of the provinces is that both levels of government should share equally the cost of all health services and all risks associated with rising health expenditures.

Mr. Railton: Mr. Speaker, I wish to ask the hon. member a question. Does he know what proportion of those health programs not covered by medicare are being paid 50 per cent at least by the federal government?

Mr. Orlikow: Mr. Speaker, I have a good many figures. Whether they will answer the hon. member's question, I