

Supply

Phoenix, which reported the deputy leader of the Liberal Party telling Liberals:

—what we are really talking about here is a scheme to totally end federal payments for Medicare across the country.

Federal payments to the provinces in support of medicare take two forms—cash and tax points—which together will total more than \$14 billion this year. Per capita payments will remain the same as last year, although total payments will grow by about 1.2 per cent. The latest scare tactic is based on the fact that since 1977 when the Liberals introduced the new formula for funding of medicare, the way in which Ottawa transfers money to the provinces has been shifting away from direct cash payments and toward tax transfers.

The net effect for both the federal government and the provinces is identical, no matter how the payment is made. When cash payments are made, the federal government simply uses money raised from federal taxpayers and transfers it to the provinces. When tax points are used, the federal government reduces income taxes in the province by a specified amount, and the provinces increase their taxes by an identical sum. Both methods represent a draw on the federal treasury and both put money directly into provincial hands to pay for health care.

[Translation]

This year, as I said before, transfers to the provinces will total over \$14 billion, about \$10 billion more than when we came to power in 1984. Of that amount, more than \$8 billion will be in the form of tax points.

For Quebec, the figures are as follows: one billion dollars in cash payments and \$2.5 billion in tax points, a total of more than \$3.5 billion.

[English]

Mr. Speaker, we cannot make the deputy leader of the Liberal Party give Liberals the straight facts. It is a matter for Liberals themselves to deal with. What we can do, however, is to make sure that Canadians as a whole are not misled.

[Translation]

Before the Budget was brought down, concerns were raised about the federal government's future ability to enforce national standards for health care as set forth in the *Canada Health Act*.

It was feared that if the federal government were unable to withhold payment of cash transfers to the provinces, there would be no incentive for the latter to observe the five basic principles; portability, accessibility, universality, public administration and comprehensiveness.

That is why the Minister of Finance announced that the federal government would amend the *Fiscal Arrangements Act* to allow transfers to provinces to be withheld for purposes of enforcement, if necessary.

This is a clear indication of the government's intention to maintain its authority to enforce compliance with the *Canada Health Act*.

• (1150)

[English]

Mr. Speaker, Canadians are passionate supporters of the system. From its inception, it has enjoyed support from all three of our major political parties and today enjoys the support of 90 per cent of Canadians.

Canadians are proud that each of us has equal access to medical care. They like it because they are free to choose which doctor to see and are entitled to a full range of services no matter what their level of income.

Canadians support medicare because they can travel anywhere in the country, safe in the knowledge that they will have access to the care they need, regardless of where they need it.

These principles have become part of how we see ourselves and how we distinguish ourselves from others. Medicare is more than just an issue in Canada. It has become a fundamental social value. It is, in fact, a social value that many other countries would like to adopt. A Harris and Associates poll conducted in the United States reported that some 61 per cent of Americans favour adopting the Canadian health care system.

A November 1990 study by the Department of Human Resources in Oregon, concluded: "The Canadian system is attractive to many American observers, because it combines capitalism with social responsibility".

Anyone who finds this hard to understand need only put himself in the position of one of the 37 million Americans who has no medical insurance of any type.