

traditional methods of delivering health care. As my colleague, the Minister of Finance (Mr. Macdonald), told hon. members when he spoke concerning this legislation, we have informed the provincial governments of our intention to proceed with these measures in this House as rapidly as possible.

Over the past years many provinces have taken initiatives in areas such as home care and ambulatory care but these services have had to be financed to a large extent by provinces. Indeed, one of the major problems with the existing cost-sharing arrangements is that federal financing has been provided for the more costly forms of health care to the detriment of some innovative, and cost-efficient, delivery techniques. Under the new financial arrangements, which move away from detailed cost-sharing formulae, the federal government will be contributing in a manner that provides provinces with more flexibility to work toward the most appropriate and cost-efficient set of health care programs.

Up to now the federal government has provided the provinces with considerable financial assistance for adult residential care under the Canada Assistance Plan cost-sharing arrangement. Another part of the proposal currently before the House is to bring adult residential care into a per capita, block-funding, arrangement. By this expedient all levels of adult residential care will be financed through a similar financial arrangement. This will ensure that distortions in provincial programming of institutional care due to the financial arrangements will be minimized. Again, the provinces will have the flexibility to provide their residents with the most appropriate level of care without being impaired by financial and administrative formulae. This bringing together of all types of adult residential care under a common financial arrangement is a good example of the steps that are being taken by this government to harmonize the relationship between various health and social services programs.

These new arrangements for hospital insurance, medical care and post-secondary education will provide provinces with greater financial assistance, through the transfer of tax room and the cash payment, than would be transferred with the present shared-cost arrangements. The entitlements under established programs financing are estimated, for 1977-78 alone, to exceed by about \$750 million the entitlements that would be generated by the present shared-cost programs. I should note that the estimates for the shared-cost programs are based on the provincial estimates of their program costs.

In addition, the arrangement for the extended health care services also provides the provinces with some additional financial assistance. For 1977-78 more than \$100 million in additional financing will be provided by the \$20 per capita transfer than would be provided for these services through the Canada Assistance Plan.

The implementation of these new financial arrangements for the health care programs will result in a substantial federal financial contribution in a manner that provides provinces with the flexibility in program decisions necessary to achieve greater efficiency in the use of their health care resources. This will

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be accompanied by a streamlining in the administrative structures within my own department.

Hon. members may perhaps recall that last November I announced that I would be moving to integrate the health and the welfare sides of my department under a single deputy minister. This move was prompted by the twin desires to achieve greater administrative efficiency within my department and to provide more efficient and effective health and social services to Canadians. Since it is virtually impossible to draw a meaningful line between social and health services, it is my conviction that we must move toward much closer co-ordination of the two general areas. Several provinces have already moved in this direction and Bill C-37 will help them to move further, as will the provision of a single locus of administrative responsibility within my department.

[*Translation*]

As I mentioned earlier, the federal government will now be in a position to further redirect its energies towards social services and primary prevention in the area of health. So I would like to conclude by indicating a few initiatives now under way or soon to be undertaken. The basic objectives of the government policy in the area of health and social welfare can be summed up in the two following propositions: first, we intend to provide the highest possible degree of physical and mental well-being and development for all members of our society, within available resources and, second, we intend to ensure as great distributive equity and justice as possible among individuals and groups considering the means available to reach that individual development and well-being. Those objectives prompted the federal government to show leadership in the area of health insurance in the 1950s and 1960s.

The health insurance system that came about as a result of those initiatives has no doubt greatly contributed to the achievement of the basic objectives of our health policy. Those very objectives are now prompting the federal government to lead the way in the area of social services and primary prevention, particularly with respect to physical and social environment and lifestyle. Those new challenges have been accepted by the federal government and concrete action is under way. The nature of these initial steps necessarily had to be limited. However, I am convinced that the success of those first initiatives is obvious if one thinks, for example, of our efforts to make the wearing of seat belts compulsory and reduce speed limits, as well as the following initiatives: our campaign entitled Dialogue on Drinking, for example; the development of an over-all program affecting the living habits of each and everyone and entitled Operation Lifestyle; more and more stringent and efficient food and drug regulations; and finally development as a high ranking priority of higher safety and health standards in the work environment.

I would also stress, Mr. Speaker, that I shall introduce shortly a piece of legislation for the funding of other social service programs provided by the provinces. Such a bill will strengthen the provinces' financial capacity to give Canadians social services, in order that they enjoy greater flexibility and receive a more generous federal contribution for special initia-