

Adjournment Debate

ary education. Also it tried to give the impression that this additional money to which it referred can somehow be construed as a reason for the provinces, and others who have been critical of the Government, to let up on the demand that the federal Government be willing to reopen the question of the adequacy of its funding commitment to medicare and, indeed, the adequacy of the relationship between the federal and provincial Governments over the long-run.

We see the federal Government on the one hand indicating that it wants to enhance and preserve medicare. On the other hand, it is doing very severe political damage to the context within which federal-provincial relations and negotiations over medicare have to take place. I have no sympathy for the various provinces, in particular those with Progressive Conservative Governments which have allowed the principles of medicare have to take place. I have no sympathy for the extra billing, user fees and that sort of thing. However, that does not blind me to the fact that they have a case against the federal Government when they accuse it of trying to misrepresent just what is going on in terms of the funding relationship between federal and provincial Governments.

The Government has consistently failed to create the political context within which it would have moral advantage over the provinces. It began to damage the possibility of that political context as far back as 1977 when it moved to cap its own contributions to medicare. It did much more damage again in April 1982 when it unilaterally cut back on federal transfer payments to the provinces. It has also damaged the possibility of the context for preserving and enhancing medicare by pretending in the Throne Speech that it was giving additional money or being overly generous to the provinces when it comes to federal transfer payments for health care and post-secondary education.

That is not the case. If it were the case, why didn't the Government announce, when the formula relating to the GNP indicated that the amount it gave to the provinces decreased, that it was giving less money to the provinces. It did not say that it would not give as much money to the provinces this year as it thought it might. The Government did not come up with that kind of announcement. This means that it cannot now come out and say it is giving more money to the provinces than planned and expect it to be regarded as an act of generosity.

It is unfortunate the Government chose to do that in the Throne Speech. In the very next week it introduces the Canada Health Act. If that Act is to be a success, and if the intentions of the Government in bringing it in are to be realized, the damage which has been done to federal-provincial relations must be healed. That has to start on both sides of the federal-provincial fence. The provincial Governments have their work to do in cleaning up their act, as has the federal Government.

The Government has not been particularly helpful by trying to pretend, as it did in the Speech from the Throne, that it was doing something new in regard to health care and post-secondary education. I can only express my regret that it chose once again to damage a political context within which we could look

for some light at the end of the tunnel in terms of federal-provincial relations over health care. It would have been much better for it to have said nothing at all than to have said what it did say with regard to the money it has to pay to the provinces in 1983-84. I regret very much that it did not have the wisdom to just be silent on that. It would have been better, of course, to indicate in conjunction with the tabling of the Canada Health Act that it was willing to reopen the question of the long-term adequacy of its relationship with the provinces as far as the funding of medicare is concerned. But it did not do that.

● (1825)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am happy to be able to respond to the Hon. Member. The Hon. Member's point is that the federal Government is somehow trying to imply that there is a new generosity involved in the \$540 million that goes to health care and the \$229 million that goes to post-secondary education, totalling \$769 million. It is not a matter of generosity, but a matter of fact.

The formula used for EPF estimates indicates at the beginning of the year what moneys will flow to the provinces for post-secondary education and health care. It is that amount on which the provinces budget. It is an unbiased formula. Sometimes at the end of the year there is an over-payment; we have transferred too much or more than the estimated amount. At other times it is less. In this case it is going to be more than the estimate.

Any good provincial Minister of the Treasury is going to base his expenditures on the estimated amount that will be transferred from the federal Government. There is going to be an additional \$540 million transferred as a result of changes in GNP and changes in population. That is not a matter of generosity, but a matter of fact. It is \$540 million more than the province's budgeted for.

The problem is that the provinces have been saying that they are under-funded on the basis of the existing formula. The point that the Minister of National Health and Welfare (Miss Bégin) was trying to make is that the case for under-funding falls apart in light of the reality of the extra amounts that will be available based on the formula. Based on the existing formula, there is an additional \$540 million to be transferred for health care and an additional \$229 million for post-secondary education. That is a matter of fact. The provinces did not know that money was coming to them. They could not have budgeted for it, so it is in fact money over and above what they thought at the beginning of the year would be available to fund medical expenses and post-secondary education. It is not a matter of generosity or a matter of deception.

If the case for changing the formula is being made on the basis that the amount of money that was estimated at the beginning of the year was too little, that case falls apart when the formula generates additional moneys; \$540 million additional for health care and \$229 million for post-secondary education. That is the point. Additional moneys will be trans-