

amount of equalization against a fixed and firm formula and not against a formula which would depend from time to time on how producing provinces would qualify or characterize their revenues, either as capital or as revenue.

Getting back particularly to Saskatchewan, the effects of Bill C-57 on Saskatchewan are beneficial. The bill benefits the province because it excludes two-thirds of additional oil revenue from equalization and because it reclassifies oil and gas revenues with new revenue sources being established for freehold oil and freehold gas. This bill does reduce Saskatchewan equalization because it also excludes two-thirds of additional gas revenues from equalization. The latter affects all equalization receiving provinces, however, in approximately the same way. The estimated effects of Bill C-57 on Saskatchewan in 1974-75 are these: there is to be the exclusion of additional oil revenues and certain adjustments from the formula, and the result will be a positive figure of \$68 million. In other words, without this bill Saskatchewan would be \$68 million poorer.

● (1140)

Mr. Stanfield: It will be poorer in any event.

Mr. Turner (Ottawa-Carleton): No, Sir. If this bill were not in force, or if an adjustment of the original proposal were not in force, Saskatchewan would be penalized, because additional revenues from oil would cancel out and set off equalization of approximately \$70 million.

Having dealt with these questions I now want to deal with some things the Leader of the Opposition said about hospitalization, health costs in general, and medicare. The federal government has tried for five years—certainly I, during my three and a half year term as Minister of Finance, have tried—to work out formulas for putting some reasonable cap on the escalating costs of post-secondary education, hospitalization and medicare. We proposed a number of formulas, including incentives to provinces to switch into more efficient, less costly methods of medical service delivery. We think this can be done with the use of home clinics, the use of clinical supervision as opposed to acute hospital treatment for every type of malady, the use of paramedical services when they can be safely used instead of the services of doctors, and so on. We must co-operate with the provinces to contain the escalation of health costs within to the growth of the economy as a whole.

In recent years this country's health-care costs have grown at rates well above the rate of growth of the economy. We think that without reducing in any way universal, complete hospital and medical services to Canadians—the Minister of National Health and Welfare (Mr. Lalonde) will again be making that undertaking when the appropriate bill comes before the House—without derogating from the principle of complete, all-embracing medical and hospital services, there are more efficient and less costly ways of delivering those services to the people of Canada.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the Minister of Finance (Mr. Turner) today repeated what he said to the provincial ministers of finance and what he said when he introduced this bill. What he said at the end

[The Acting Speaker (Mr. Penner).]

Oil and Gas

shows that he completely ignores the views of all provinces. They all think that some of his budget proposals torpedo the general concept of equitable cost-sharing between the federal government and the provinces. Every provincial government, whether of a Liberal, Conservative or NDP hue, opposes the federal government's abandoning a principle it has followed for many years, a principle under which Ottawa pays 50 per cent of hospitalization and medical care costs. The provinces suspect, justifiably, that Ottawa will soon refuse to pay 50 per cent of Canada Assistance Plan costs. The minister said clearly that soon it will not pay for half the cost of post-secondary education. The minister is proposing to reduce Ottawa's share of these programs by hundreds of millions of dollars. That is how much Ottawa will save when the cutbacks become effective.

Remember, federal governments urged the implementation of these programs, beginning in 1945, when the Mackenzie King Liberal government published the green paper on health services. Since then the governments of Mr. King, of Mr. St. Laurent, of Mr. Pearson, and even of the present Prime Minister (Mr. Trudeau), urged provinces to extend services in fields of health, social security and post-secondary education. The federal government forced these programs on the provinces against their will. It promised to pay them 50 per cent of the cost, if they entered.

Now, the Minister of Finance has torpedoed the possibilities of co-operation between the provinces and the federal government.

Let me read what Premier William Davis thinks of all this. This morning's *Globe and Mail* carries this report on the front page:

'Federalism, in its present practice, has become a one-way street,' Premier William Davis told a news conference... 'The government of Ontario cannot stand idly by while the government of Canada plucks the Ontario taxpayers and consumers in order to feather its own nest'...

According to the *Globe and Mail*, Ontario served notice that it will not enter into any more share-cost programs with Ottawa. That announcement is hardly surprising, as the provinces are swallowing a bitter pill.

The Quebec Minister of Social Affairs who is responsible for health services is dismayed by the Minister of Finance's proposal and realizes that Ottawa's 50 per cent contribution to health and hospitalization costs will soon end. That Liberal minister sent the Minister of National Health and Welfare (Mr. Lalonde) the following telegram:

I deplore the unilateral setting of a ceiling without notice of federal participation in medical insurance—The evolution of medical care cannot be carried out in such a short time-span and this federal decision causes major uncertainties in its administration by the provinces.

Ending his speech, the Minister of Finance said that Ottawa is confident we can enjoy the same level of health services if we use more efficiently present facilities, use paramedical people instead of doctors, and so on. Judging from those remarks, one would think that Ottawa is making these proposals and the provinces do not agree, that they are only too willing to spend money on the most expensive form of medical health care. What nonsense. Would any province do this? Would poor provinces like Newfoundland, Prince Edward Island, Nova Scotia and