

Health Resources Fund

its disposal. With regard to the trans-Canada highway I pointed out, as was mentioned by the hon. member for Comox-Alberni—and I have to go entirely by memory now—that in respect of the portion from the arch entrance at the Banff National Park to Revelstoke \$103 million had been spent, of which the federal government provided something like \$98 million. Yet, when the former Conservative administration asked that a joint opening of this vast project be held, the provincial administration decided that they would not co-operate in such a project. They rushed in, and two weeks prior to the grand opening held one of their own. As I said earlier they had spent only, I believe \$2,500,000 or \$3 million. However, they had a grand opening, with a barbecue at which the minister of highways was the master of ceremonies.

Personally I think this was very unfair even to the former administration. This is only one example, but I have another. In the province of British Columbia a receipt goes to any person who has profited from our national hospitalization program. The government of the province of British Columbia sends out one of its receipts after payment on behalf of a person who is a resident of British Columbia has been hospitalized. I have with me a photostat copy of one of these receipts. It states:

The Government of the province of British Columbia through the British Columbia Hospital Insurance service has paid the hospital account shown below.

Of course there is no reference whatsoever to the joint hospitalization program of which the federal government pays approximately 50 per cent through regular taxation. Now, to compound the impropriety of such a receipt, in smaller type they say:

Due to federal government regulations this is not valid for income tax purposes.

The inference here, of course, is that when a person privately pays his medical or hospitalization account and it amounts to something over 3 per cent of his taxable income, he may make reductions in his income for tax purposes. However, the two administrations, that is the provincial and federal, make this payment directly to the person who has been hospitalized.

● (8:10 p.m.)

Inasmuch as the federal government had made a 50 per cent contribution, it would be irregular to expect that a taxpayer should receive double benefit. This would involve a

[Mr. Byrne.]

doubling or at least a compounding of the federal grant. In all fairness I think the committee should consider the advisability of insisting that the provinces give some recognition to the fact that it is the federal government, which is responsible for collecting the tax, and therefore must receive some recognition. Otherwise democracy could not exist.

Having recognized the astuteness of the hon. member for Simcoe East I find it difficult to understand how he could so completely misread this amendment. I hope he will reconsider it and give his support to the proposal.

[*Translation*]

Mr. Gauthier: Mr. Chairman, for the past twenty minutes fantastic things have been going on in this house. An amendment proposed by the New Democratic Party to Bill No. C-211 has just been rejected under the pretext that it would be an intrusion of the federal government in fields coming under the provinces, in short, because it would simply be instructing the provinces how to administer the money turned over to them. At this stage, I want to mention that the money given to the provinces by the federal government is not a donation; it is simply handing over the taxes collected illegally in the provinces.

Mr. Chairman, you rejected the socialistic amendment proposed by the New Democratic Party, and rightly so; but you are now accepting the very proposal made earlier.

According to the amendment now before us, the minister is appointed referee; the power of veto will be vested in the minister as to whether or not the moneys are granted to the provinces. It seems that having rejected the first amendment, the government reverses itself and suddenly reverts to socialism.

On Clause 6 of Bill No. C-199, the amendment which the New Democratic Party had moved on Bill No. C-211 is now being moved again, this time with government support; it is no longer deemed an infringement yet, to top it all, it refers to education. As far as education is concerned, the provinces will be bringing up a project; whatever its scope, the federal government will agree to reimburse—not to contribute, but to reimburse—50 per cent of the taxes that were collected, provided the province consents to appear before the minister and be blessed. And then it is claimed that this is not an infringement on provincial education.