

Fiscal Transfers to Provinces

that the federal government would have a positive role in health care, not just a negative one where the health minister is reduced to threatening the completed withdrawal of funds. The provinces have spoiled what could have been at least a worth-while experiment, one which has proven worthwhile in some provinces, particularly in the province of Quebec where freedom was used to develop and to expand the health care system.

Now, because the provinces took advantage of the federal government in some ways through the Established Programs' Financing, either out of resentment toward the provinces or out of a further move toward restraint, the Minister of Finance, as stated in the budget, expects that significant savings will be made by the federal government in the upcoming renewal of federal-provincial fiscal arrangements in the social development area, which of course involves medicare.

We think the federal government should be tough in its negotiations with the provinces. We do not think it should just go in there and say, "Don't worry about it, boys, we will continue to put lots of money into medicare, it does not matter what you do." We are not suggesting that the federal government be a patsy for the provincial governments. We think steps should be taken in the course of renewing these arrangements to put in place structures which would prevent the provinces from acting in the way they have recently.

We do not think, however, that the federal government should go into those renewal negotiations with the intention of saving money. Its intention should be to ensure that both the provincial governments and the federal government put in as much money on a shared basis, whatever the details might be, as is needed to maintain and to improve Canada's health care system. That should be the goal of the federal government in the upcoming negotiations with regard to the renewal of federal-provincial fiscal arrangements. To go in there with only the goal of saving money is, I think, starting off on the wrong foot. What is needed is not for the federal government to compound the stinginess of the provincial governments with regard to health care by exhibiting the same quality.

It is bad enough that the provincial governments have been pulling back on health care. What are Canadians to expect as far as health care and social services are concerned when saving money becomes the primary goal of the federal government? All Canadians agree, even people who do not otherwise agree with each other such as, for instance, the Canadian Medical Association and the NDP, that one of the fundamental problems of the medicare system is that it is drastically underfunded. Now it appears that this underfunding is to be compounded by the federal government in its intention to save money in the forthcoming negotiations.

If, indeed, the problem is underfunding, there are only two options available. One is that the money which will be needed to maintain the existing level of services, the money which will be needed in the poorer provinces to bring them up to a level of health care enjoyed by some Canadians in some provinces, the money which will be needed right across the board to fulfil the original vision of Mr. Justice Hall in his royal commission

report of 1964, the money which will be needed to instal a comprehensive health care system in this country, both preventive and curative, will either have to come from public or from private sources. Of course, the argument of the Canadian Medical Association is that this money should come from private sources in the form of extra billing, deterrent fees, ward charges, premiums, and various other ways. This is really not private money but public money coming from citizens on a selective basis, coming sometimes from the sick and sometimes from people in general. For instance, with regard to premiums, that money comes on a regressive basis. There is no notion there of the kind of fairness which we expect, at least in theory, from our tax system.

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The other alternative to solving this problem of underfunding is, of course, to solve it by public means through increasing the commitment of governments, both federal and provincial, to our health care system. That means finding political will. That means closing tax loopholes. That means taking seriously the other side of the restraint question, which is the revenue question. There is another approach to restraint other than cutting back services, and that is to raise the necessary money by going out and appealing to the best in Canadians, by appealing to their notion of a fair and just society in which health care, for instance, is something about which people do not have to worry and which they can expect without regard to their economic circumstances. That is the direction in which we want to see the federal government move in this whole area of concern having to do with federal-provincial fiscal arrangements. The federal government should maintain its role as redistributor of the national wealth. However, it should maintain that role for the right reasons and see itself as the guarantor of the quality of life of all Canadians.

If the federal government enters the negotiations with that spirit and if any further amendments which come before us are put before us in that spirit, we could see our way to supporting that kind of principle.

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I enter the debate on Bill C-24 because coming from Saskatchewan, a province which still relies on equalization from the federal government in order to obtain revenues, I feel it is important to do so. The first two clauses of this bill do not really cause me much concern, but what does concern me is the idea of equalization. In order to equalize there must be something to begin with. If there is nothing to spread about Canada in terms of dollars, equalization really does not mean much, despite all the high sounding words spoken about it.

In the brief time allowed me I would like to talk about some of the policies of the present government and what they are doing to stifle funds in Canada. I refer not just to the western part of Canada but to all of Canada. When funds are stifled there are fewer funds to equalize. There are fewer funds to give to other Canadians to provide the joys of a better life and a higher standard of living.