

*Dominion-Provincial Relations*

would amount to some 10 or 11 per cent of total government revenues, or just over \$7 billion, so again I do not think that that is anything which is likely to rock the boat or cause us serious trouble in respect of balkanization of the country.

I have mentioned the possibility of all provinces taking advantage of this legislation. I think we should keep clearly in our minds that this legislation is applicable to all provinces. It has been presented in speeches made in other places that this legislation is another sop to the province of Quebec; another instance of the Liberal government's capitulation in the face of French intransigence. This could be answered by saying they are available to all provinces; but I do not think that would really be an honest answer, because I strongly suspect that every province will not be anxious to take advantage of the opting out legislation.

This arises, I think, from the difference in attitude toward governments in the province of Quebec and in the rest of Canada. I am given to understand that in the province of Quebec a very large part of the prestige of any government is based on its power to impose taxes, which is rather different from governments in the rest of Canada where taxing activities do not usually, shall we say, endear themselves to the victims, or add to the taxing government's prestige.

I do not think it would be quite honest to suggest that the complete answer to this is that the measures are available to all provinces. I think we have to look again at the magnitudes involved and we will find that the total tax abatement value of this bill, if the province of Quebec takes advantage of it, will be less than \$120 million. I am sure very few people would suggest that by allowing the Quebec government to stick its fingers in the public's pockets to the tune of \$120 million, rather than the Minister of Finance here, is going to break confederation. However, I have an uneasy feeling that there may be some who will try to use this opting out legislation as a stick to beat French Canada. I must say that I agree with the hon. member for Edmonton West (Mr. Lambert) in that I do not like the term "opting out" because it offends my pedantic sense of English.

I have mentioned these figures in respect of this bill to show that no one who does embark upon such a program, and it might be tempting to do so, could do anything but convict himself of two things; first, of economic illiteracy and, second, of being a

dangerous and irresponsible demagogue. I do not think there is any ground whatever for holding that view, but it may well be that it was to accommodate the particular desires and atmosphere of the province of Quebec that the federal government was encouraged to go ahead with this. That being the case, one can only ask, so what? The new legislation is not going to destroy confederation.

It is necessary to go a little further and to examine the trend that may be set up by this particular legislation, because while in itself it is not of any earth shaking importance, it might well be that further development of programs by the federal government, again to be included in the opting out arrangements, might cause some rather dangerous development. We have all been hoping, I must admit to a diminishing degree in light of the Liberal party's record, that the Liberal government would eventually draw a deep breath, take its courage in both hands, and introduce a medicare program. I have attempted to get estimates of the possible cost of such a program. The figures I have been given indicate that the cost would be something over \$20 per capita per annum, possibly as high as \$25, making a total cost of between \$400 million and \$500 million. One might well imagine that it is possible to consider, if the government—I admit this is a terribly big "if"—should suddenly become so courageous as to institute this program, it should then include it in the opting-out legislation, and in that event there would be a very dangerous trend.

However, I think even that would not pose a very serious problem provided, and this is an important aspect, the federal government is prepared to expand the field of its operation at the same time it is divesting itself of fiscal responsibility for these and other programs. Indeed, this is an equally meaningful way in which one can examine the possible dangers of this development. Quite frankly I discount the dangers so far revealed or likely to be revealed in the future, but I can see a danger if the federal government takes the point of view that, having relieved itself of these responsibilities it would then be free to sit back and contemplate its navel, perhaps, and not do anything very definite in the way of expanding the economy.

It is the relationship between the total operations of the federal government and the operations of the provinces and municipalities which is the important factor here. I think it is worth noting that at the present time