

*Medical Care Act*

ment. As the Premier of Manitoba stated at the April finance ministers' conference:

—The provincial governments have an even greater interest than the federal government in ensuring improved efficiency—of programs—because with less broadly based taxing powers, it is generally more difficult for the provinces to match federal funds than it is for the federal government to provide them.

The 15 per cent limit on post-secondary education contributions is estimated to have cost the provinces \$120 million to \$150 million in 1975-76 in forgone revenue. This statement is borne out by the figures of the Department of Finance. In the April, 1976, Economic Review, figures are provided on a national accounts basis for federal, provincial and local government revenues. Even taking into account the dramatic turn-around in 1975, when the federal government went from a surplus of \$593 million the year before to a deficit of \$4.5 billion, the federal government's cumulative deficit for the years 1960 to 1975 amounted to \$3.6 billion, compared to a cumulative deficit for provincial and local governments of \$9.6 billion in the same period.

The equalization formula is now under review. The federal government has consistently retreated in recent years from the concept of equalizing revenues: for example, the 1971-72 proposal of the Department of National Health and Welfare for a new formula for cost-sharing health care based on percentage changes in the gross national product on a per capita basis. This plan was rejected by the provinces because it would adversely affect the have-not provinces and destroy national health standards.

It is possible that the federal government could come up with a new equalization formula which bears no direct relationship to the taxing capacities of the provinces. Alternatively, it could produce a formula which simply makes minor adjustments to the present formula to neutralize the impact on equalization of the widening disparities in income among the provinces. Either way, the federal government will most likely seek to reduce the amount it spends on equalization.

● (1220)

Another potential problem concerns the taxation of provincial Crown corporations. I think it most unlikely that the federal government would tax such agencies, although it may in future threaten to hurt the provinces by proposing such a move. Given the figures I listed with regard to fiscal imbalances as between federal and provincial local sectors, one cannot have much sympathy for government claims that the potash takeover, for instance, would have a severe effect on federal government revenues. I do not believe it; therefore, I have little sympathy for the federal government's claim.

I bring these facts forward to show why we feel this bill in its present form should not pass. The government should not retrench in areas as vital as national medicare and hospital care, post-secondary education arrangements with the provinces and the cost-sharing of those programs. Surely, our efforts at restraint should not include such areas. This should be done in other areas; there are other ways of doing it, Mr. Speaker.

On Wednesday afternoon the hon. member for Kootenay West, referring to a newspaper article, quoted the comments of Dr. Louis Brand of Saskatoon. Interpreting what

[Mr. Benjamin.]

had been said, the hon. member concluded that Saskatchewan has been forced to reduce its budget for health and hospital care by \$44 million and, therefore, there is something seriously wrong with the operation of the province and the way in which it is managing its economy.

The hon. member for Kootenay West has his facts wrong or has accepted wrong information printed in the newspapers. The fact is that the health care budget in Saskatchewan was not reduced by \$44 million; it was increased by \$46 million in the face of the federal government's threat to restrain, hold at present levels, or even reduce its contributions to hospital and medical care. Even so, Saskatchewan increased its budget for that field by \$46 million. The provincial ministers of health and finance have estimated that of the \$46 million increase, inflation will have eaten up about \$30 million, so that in real dollars the health care budget of Saskatchewan will have risen by only \$16 million.

Let me explain what happened in Saskatchewan. I suspect my explanation will show why Dr. Brand, of St. Paul's Hospital, Saskatoon, complained. The sums required by hospitals were reduced, partly for the sake of maximum efficiency and partly to show restraint in areas which do not harm medical services. It was felt that what had already happened with regard to contributions from the federal government had increased the pinch on the provinces and they had to pass some of that pinch on, so to speak. The federal government had already cut back cost-sharing with regard to the Victorian Order of Nurses, air ambulance services and home care programs. Some of the pinch the federal government had put on the provinces was in turn passed on to the hospital districts, health regions and health care agencies.

The hon. member for Kootenay West made disparaging remarks about the operation of hospital and medical care in Saskatchewan, the province which originally led Canada and North America in the health care field. I am proud enough of that province's accomplishments and of the way those programs are presently operating in Saskatchewan not to be worried by the remarks of the hon. member for Kootenay West. He defended the province of Ontario's record in this field. He can do that if he wishes, but I find his arguments indefensible in this field.

Let us consider the costs of delivering hospital and medical care to individual citizens and families. For example, in British Columbia, medicare premiums are \$90 for single persons, \$180 for a family of two, and \$225 for a family of three or more. In Alberta, the premium is \$76.80 for a single person, and \$153 for a family of any size. That is somewhat better than the premium charged in British Columbia. Next, let us consider rates in Ontario, the province for which the hon. member for Kootenay West felt sorry and so defended it. Ontario assesses \$192 for a single person, and \$384 for a family.

In Saskatchewan, the premiums charged individual citizens and families are zero: no premiums are paid by citizens in that province. Not only are our provincial programs well run, contrary to what the hon. member for Kootenay West alleges, but they are run in the best possible fashion from the standpoint of financing; that is, the funds raised by the province are raised fairly through taxation based on ability to pay. Funds are raised by way of income tax,