

Federal Transfers to Provinces

of reducing its participation in those various programs. However, should we not, at some point in time, reconsider the efficiency or performance of those programs?

• (1550)

Is there enough flexibility for the provinces? Is it consistent with the need to maintain national health standards? Does the implementation of this program by each and every province mean that we do indeed have national health standards? How can you say that the health care program is universal when a number of provinces authorize extra billing? I need only refer to the Hall report, Mr. Speaker, which deals with Canada's National-Provincial Health Program for the 1980s. Here are a few chapter headings. I should like to refer for instance to Chapter 2:

Federal Funding Arrangements and Provincial Spending.

During the course of my hearings, there were allegations that some provinces had "diverted" "federal health funds" to other than health purposes, and that, as a consequence, some provincial programs have been "underfunded", thereby causing some doctors to "opt-out" and/or extra bill, resulting in an "eroding" of the *Medicare Program*.

I have concluded, after examining the evidence, that we are confronted in these allegations with two major issues which are distinct and not necessarily related. The first is the complex question of the effects of the transfer of federal funds to the provinces under *The Established Programs Fiscal Arrangements Act (1977)*. The second, of course, is whether the provinces are fulfilling the conditions of *The Hospital Insurance and the Medical Care Insurance Acts*.

A little further, the report mentions (1) the ever-growing number of physicians who resort to extra-billing, and (2) the controversies that flow from the conflicts between the medical profession and the provinces over the scale of fees payable to physicians. There is another chapter which deals with the national standards. Justice Emmett Hall stated, and I quote:

I received numerous submissions dealing with the fact that because the provincial tariffs were not uniform, citizens of a province taking ill or needing medical or hospital services in another province found:

(a) That they had to pay the provider then and there;

The provider, meaning, the physician, then and there.

(b) That there was no reciprocity between provinces in the matter of insured charges;

(c) That on returning to their province of residence, they found difficulty and great delay in being reimbursed or partially reimbursed for expenditures incurred while absent from home;

(d) That when sent to a specialist in another province by their own physician, they were only reimbursed in part according to the tariff of the resident's province.

There is a whole chapter on portability. I think it reflects the concern of Canadians regarding the application of standards in connection with the national health program.

I should like to conclude my remarks on the subject of health and hospital services, for I see I am running out of time, with part of a statement made by the Hon. Minister of National Health and Welfare, and I quote:

I must admit that I am worried about extra billing and hospital costs which are charged in certain areas of the country. Finally, how long can we tolerate that a government which pays 60 per cent of the costs receives no credit for it? How can the government inform the public about its contribution? I

talked earlier about various social policies and I shall now deal with post-secondary education. We have established certain criteria concerning post-secondary education. The federal government believes that colleges and universities must continue to play a crucial role in the economic and social development of the country, but that the institutions, teachers and students must receive every reasonable support and encouragement. The federal government therefore plans to review its program in the next two years and to request that the provinces increase the amounts they provide for post-secondary education by at least the same percentage as the rate of increase of the cash and tax point transfers under the established programs financing.

The second condition is that the provincial governments must undertake to have discussions with the Secretary of State (Mr. Regan) concerning a mechanism to meet the major national objectives for comprehensive support to post-secondary education. Those objectives would be defined in the federal legislation governing transfers granted for post-secondary education under the established programs financing which would be enacted at the end of the 1983-84 fiscal year. The federal objectives of mobility, accessibility, accountability, joint planning and languages are those of the Canadian government. The third condition is that the federal and provincial ministers in charge of programs will use future meetings to examine the mechanisms which would make them more accountable to the legislature and especially the federal Parliament for their expenditures and to ensure that the public is aware of the origin of the funds granted for these programs. At the present time, over 50 per cent of post-secondary loans are paid by the federal government, and the percentage can vary between 52 and 48 per cent.

I am about to conclude, Mr. Speaker, as I see my time has almost expired. What impact will the fiscal arrangements bill have on the finances of the government of Quebec? Under the fiscal equalization formula provided in the bill, Quebec will receive \$15.8 billion in equalization payments during the next five fiscal years. That is almost twice the amount—\$8.6 billion—Quebec has received during the five-year period ending on March 31.

The average annual increase in equalization payments to Quebec during the next five years will be 10.7 per cent, which is higher than the inflation rate projected over the same period. The bill also maintains established programs financing under which the federal government is funding a sizeable share of provincial hospital insurance, health insurance and post-secondary education. Quebec will be receiving federal cash transfers of up to \$7.7 billion and fiscal transfers of up to \$11.6 billion over the period 1982-1987, which means a total of \$19.4 billion. During the last five years, this amount had been \$11.8 billion, which means that under the bill, transfers will increase from \$11 billion to \$19.4 billion.

As a result of changes in the equalization payments and established programs financing provided under the bill, federal