

*Federal-Provincial Affairs*

hon. Prime Minister (Mr. Trudeau) for sending me a copy of his statement before two o'clock. I received it quite late, but I appreciate the difficulties the Prime Minister must have experienced in preparing a positive statement on the outcome of this conference.

[English]

Some hon. Members: Hear, hear!

**Mr. Stanfield:** Perhaps the greatest achievement of the conference was the success of one reporter in breaking security to hear the briefing given by the Minister of Finance on the economic position of the country. I do not know how much the reporter learned but it was at least one achievement that came out of the conference.

The Prime Minister referred to a number of positive achievements such as the agreement on family allowances and the general proposal for some degree of flexibility. I think this was assumed in advance. The Prime Minister also referred to the agreement concerning a joint review of social security programs. I would assume this would be very welcome to provincial first ministers. But we shall see how things turn out and whether, in fact, this government, if it is given continuing responsibility, has the capacity to work out a common approach with the provinces that is generally acceptable in this area.

The Prime Minister also referred to the discussion on regional economic expansion. Here again, there is no indication at all of any more effective program to attack this great problem. Shared programs in the field of health have been discussed for some years now, with the federal government putting forward suggestions to the provinces. These suggestions were not agreed upon. The Prime Minister referred to disagreement among the provinces themselves, and I think this is so. But I believe the provinces were united in their belief that the proposal of the federal government did not provide them with sufficient security against increases in the cost of the continued implementation of these programs should the provinces accept the federal proposal. The proposal has not been accepted.

The Prime Minister recently pointed out that the proposals of the federal government in regard to shared-cost programs are a different thing from any discussion or proposal generally regarding tax sharing arrangements. I accept that is so. These proposals related to specific joint programs. But I do say to the Prime Minister that the question of the allocation of shared costs between fields must be faced. The government cannot assume it can just go along on the basis of the legislation passed last year. It is particularly urgent that the matter be faced in light of the proposal of the Minister of Finance (Mr. Turner) to introduce an indexing concept into personal income tax. While I was very pleased to see him adopt this principle, I have always recognized, as I hope he will recognize, that it has an unfortunate effect on the revenues of the provincial governments and therefore does necessitate a reconsideration of the present tax-sharing agreements.

No agreement was reached in regard to post-secondary education, so the federal government is carrying on.

Apparently there was some discussion of inflation but the federal government put no proposals before the provinces that might involve some kind of joint attack or effort to contain inflation in this country. This is particu-

[Mr. Stanfield.]

larly alarming on a day when we find that the wholesale price index has increased by over 16 per cent between April this year and April of 1972.

Basically important questions such as an industrial policy for this country and a policy for foreign investment were simply deferred until the next conference. The Prime Minister has not explained what the implications of this may be as far as any legislation before the House is concerned, or indeed what the implications may be in regard to the federal government taking any initiatives in the area of industrial strategy and policy to further discussions taking place.

There is no need for me to speak at greater length. The conference accomplished very little. I doubt whether any conference between the federal government and the provinces for a good number of years, called for the purpose of discussing general concerns between the two levels of government, has achieved so little in concrete results. Certainly the government, in its relations with the provinces as exhibited at this conference, has not come to grips with some very basic problems such as tax sharing, inflation, foreign investment and industrial policy. I hope that the discussions look as if they were more useful than the results because the results are certainly minimal.

**Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands):** Mr. Speaker, the first ministers have just concluded another ho-hum conference. One of the local papers summed it up by saying that the federal-provincial conference of Canada's first ministers that began in disagreement ended undramatically on Friday after three days of talk but little in the way of concrete results. The only thing they seem to have agreed upon unanimously was to have another meeting in the future. I suggest that the reason for this lack of accomplishment is that, instead of the federal government providing the kind of leadership necessary to strengthening federalism and to promote a sense of national purpose and set out national goals, it spent this conference in the main seeking to shift to the provinces the responsibility for very important programs such as post-secondary education and health insurance.

● (1420)

I am glad that the provincial governments did not buy the federal government's idea of giving up a shared-cost program for post-secondary education to be replaced by a per capita grant. As the communiqué indicates, the provinces recognize that these per capita grants would not meet the growing needs of post-secondary education. The same is true of the health insurance programs. The Prime Minister (Mr. Trudeau), in the statement he has made today, talked about flexibility in determining priorities and providing incentives to rationalize the health care systems and the provision of effective services at reasonable cost. This is simply rhetoric used to clothe his attempt to load on the provinces the federal share of the costs of health insurance in this country.

Of course the provinces agree about the need for flexibility in determining priorities, but that can be done without removing the federal government's guarantee to meet 50 per cent of the cost of health insurance. Certainly the provinces want to rationalize their health care systems, and the thrust fund could be used for that purpose.