

This motion, Mr. Speaker, is not justifiable because provincial governments are denied the opportunity of self-management and of ensuring themselves the management of health programs. What this government proposes in fact, Mr. Speaker, is very clearly stated in the release issued by the minister. It said that the purpose of the federal-provincial meeting was to draw up a new formula in order to determine the annual federal contribution to health services administered by the provinces, that this formula was designed to replace the present cost-sharing arrangement established under the Medical Care Act and the Hospital Insurance and Diagnostic Services Act and would give provincial administrations more flexibility in order to provide more efficient and cheaper health services, while making for reduced health care costs.

That, Mr. Speaker, the spirit of the program as introduced and prepared by the Minister of National Health and Welfare; this has nothing to do whatsoever with the motion introduced by the member of the New Democratic Party who wants that the provinces be denied the responsibility of managing this program.

As was seen, Mr. Speaker, and as was noted in the last few years the costs of medical care increased constantly year after year. One could read recently that those costs actually registered an increase of at least 14 per cent a year.

For the year 1973 or for the rest of the decade we should be mainly concerned with setting up a much more modern system which would provide Canadians in all provinces with much more adequate and cheaper health services.

It is in that spirit, Mr. Speaker, that the plan was introduced; it implements certain recommendations and especially those in the Harding report which, for example, deal with the establishment of community health centre networks to reduce the stay of patients in hospitals. A shorter hospitalization period would mean lower costs for the Canadian taxpayers and would make rehabilitation and nursing medical services much more accessible and at a much lower cost especially for those living in the rural areas of this country.

I am thinking particularly about the people in my riding who for a large part must drive several miles, over 50 in certain cases, to get medical care or hospitalization.

If they could go to community health centres located near their homes in their municipalities the cost of health care in Canada would be considerably reduced.

The Harding report recognized that such centres and services if well designed and administered would contribute greatly to reducing the cost of medical care as well as facilitate its access within a well integrated system. This is what I meant, Mr. Speaker, when I said that medical care would be much more accessible and could be provided cheaper than that administered in hospitals which several citizens cannot easily reach because they live far away from rural centres.

The proposals were described as very complex. Of course, the problem is also quite complex; there is no easy formula which would meet the needs and would be acceptable to all the provinces. We can already see some wavering or reluctance on the part of several provinces to accept the proposal. I think that they want to study the matter in

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greater detail, before passing judgment on the proposals which was not the case on the part of some hon. members.

Mr. Speaker, although the philosophy of the program has been accepted by the Leader of the Official Opposition (Mr. Stanfield), he refuses to understand all the complexities or the mechanics of the whole program which has been put forward to the provinces.

Last Wednesday, the hon. Minister of Finance listed the mechanics for the financing of the program and I should like to correct certain comments that were made earlier by the hon. member for Roberval (Mr. Gauthier), the spokesman for the Social Credit Party of Canada, when he said, for example, that once again, it would be some kind of "big brother's" federalism where provincial governments would be subjected to some authority or dictatorship.

He quoted the formula—or part of it—which had been submitted, but without any further explanation. In fact, he omitted to go on and explain the mechanics of the tax proposal.

With your indulgence, Mr. Speaker, I should like to remind hon. members of some mechanics as announced by the hon. Minister of Finance. He stated that as far as personal income tax was concerned, he would like it to be quite clear that the federal government, for reasons known to the House, will not reduce taxes through tax abatements. He suggests rather the establishment of new federal and provincial tax schedules; when the federal government will reduce its rates, the provincial authorities may collect the relinquished federal revenue by increasing their tax rates. The taxpayer's onus will not be increased, a detail which the hon. member for Roberval (Mr. Gauthier) has failed to point out.

The member for Hillsborough (Mr. Macquarrie) referred to excise taxes levied on alcoholic beverages and cigarettes. I think that it is essential, Mr. Speaker, to read carefully page 3599 in *Hansard* of May 9 last. I quote:

In the case of tobacco products, the repeal of federal excise levies would allow the provinces to increase provincial sales taxes on these goods by an equivalent amount without increasing tobacco prices. The provinces would thus acquire additional revenue equal to the amount of federal revenue foregone.

Of course we are not giving up that taxation field in order to avoid our responsibilities or a reduction in such tax revenue, believing or foreseeing a reduction of those taxes on account of a general decrease in cigarette and tobacco consumption.

The hon. member for Hillsborough said that he had given up smoking, just like me. Like him I will say that I have not decided yet to give up drinking. I would like to reassure him on the government's intentions as concerns excise taxes on tobacco products and alcoholic beverages which are not likely to decrease in the coming years. If one looks at the development programs of the industries engaged in the production of alcoholic beverages or cigarettes, one can see, Mr. Speaker, that those industries do not expect either a decrease in their sales.

According to the proposal of the hon. Minister of Finance, the province of Quebec through tax abatement or opting out, already enjoys 16 points. It administers and finances a good part of that program and, as far as I know, it is not the worse for it. I believe the proposal that was made to other provinces, Mr. Speaker, the proposed pro-