tal facilities, operating room facilities and medical people, so that 15 per cent of the population—and that is many Canadians—were not covered by any kind of medical care plan. I defy anyone in the House to stand up and say honestly that the general public is opposed to medicare. It is not. Some may complain about the increase in premiums. Sometimes the premiums jump too quickly, particularly in the province of Ontario where they jumped quite drastically in the past year.

However, there is one thing about universality which I think the hon. member may have omitted from his speech, namely, that if all people are involved in the universal program, the most vocal and powerful groups in the country, which are usually organizations of professionals, of educated people, of physicians as well as of lawyers, accountants and trade unionists, make sure that the quality of medicare under a universal program shall continue to improve, because they have the power to demand that it shall improve. The quality of the program does improve as the years go by. But there is always the possibility that when only a certain percentage of the population is involved—and usually the great majority of people are in the lower income bracket—the quality of private medicare scheme treatment may not be as high, and I emphasize the words "may not". This is why I believe in universality.

I do not believe in waste. I do not believe we should have facilities which are not necessary. I appreciate the fact that some hospitals across the country may have to be closed. We had an incident in my constituency of Brant where the people so far have made the major decision as to whether a hospital in the area will close. I think some of these basic philosophical standards should be established at the outset of any hon. member's address to the House. What we all want, regardless of political affiliation, is the best quality of medical care, at the best price. I admit that there has been abuse and that some hospitals have overspent, and I am not just referring to Ontario. The hon. member for Capilano seemed to dwell on just two provinces, British Columbia and Ontario.

I am willing to admit that in Ontario—I am not familiar with British Columbia—there has been some waste. The fundamental fact still remains that it is the sick person to whom we are addressing ourselves in this bill. If we could clean off some of the fat without reducing the quality of medicare, then most of us in the House would appreciate that universal medicare, which has been in effect for many years, is probably more desirable than private insurance plans which are sometimes very difficult to obtain for a number of Canadians.

When the Minister of National Health and Welfare (Mr. Lalonde) spoke on third reading of Bill C-68, he outlined the reasons he felt it necessary to introduce the bill, and how recent events, particularly the first ministers' conference, had led him to believe that Bill C-68 would now pass without too much opposition. As he now knows, he was wrong. We in this party do not believe that anything has changed since the introduction of this bill which would cause us, as a party, to support the bill in toto. A week ago yesterday, the minister said in the House that just two days previously the government had submitted to provincial governments a new financing formula which would consist of the transfer of a certain number of tax points, as well as equalized per capita payments across the country. He went on to say that the formula met with the approval, in principle, of most provinces. He did not say "all" provinces.

This was one of the factors which prompted the minister to say that he hoped this bill could now go through all stages without delay. It seems to me that while the provinces may have agreed in principle, the fact remains that they were less enthusiastic about the proposals presented to them. This should not have come as any surprise to the federal government, in view of its attack on provincial revenues dating back to 1972.

● (1420)

If hon. members recall, in 1972, under tax reform, the provincial share of income tax growth was reduced from 28 per cent to 23.4 per cent. To make up for this a revenue guarantee formula was drawn up to protect provincial tax revenues for a five-year period. This five-year period was to have ended in 1977. Since 1972, the provinces have not received much money under the formula, and consequently they budgeted accordingly. In other words, they had to overbudget because they were not receiving what they had anticipated they would receive from the federal government. This, of course, was passed on, as in most cost-sharing programs, to the municipalities. Let me tell this House that in the province of Ontario, and no doubt in other provinces, the municipalities are now bearing the brunt of the restraints programs not only of the federal government but of the provincial governments. In other words, the buck has been passed all the way down to the local municipal councils and township councils, which are closest to the people on a day to day basis. They are the ones who are getting it in the neck by letter and by telephone, day in and day out.

In 1974, indexing was introduced by the federal government and this resulted in significant losses in provincial tax revenues. Since 1975, the federal government has placed limits on an assortment of programs; for example, limiting equalization of oil and gas revenues, limiting the growth of federal contributions to post-secondary education, and so on. In view of all these limitations, it is no wonder the provinces are extremely skeptical about any new financing formula. Based on recent past history, the provinces cannot be faulted for thinking that any new financing formula probably means a further squeezing of provincial revenues. This would most certainly be the case with respect to health costs.

On June 18, the Prime Minister (Mr. Trudeau) said in this House that in the plan for the future, the country and the provinces would limit the rate of escalation of health and education programs more or less to the rate of growth of the gross national product. I think it was quite appropriate for my colleague, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) to ask the Minister of National Health and Welfare what possible relationship there is between the incidence of illness and the gross national product, especially in view of the fact that last year the cost of providing health services went up by 15 per cent and at the same time the gross national product was virtually at a standstill. How the Prime Minister worked that one out, I do not know; but according to the government, that is the formula.