be necessary to implement a deterrent fee for those entering hospital. It will be normal for people to have to pay a charge to see their doctor.

All these basic and fundamental rights which the citizens of Canada have had for the past 25 years will disappear to a large extent. They will be removed as a result of the thinking of the federal government which is embodied in this legislation. Because of what is happening, the provinces did not want to accept the deal which the federal government proposes and which they in fact accepted only because they had no alternative.

● (2150)

The provinces had no choice but to agree because the pressure of the dateline meant that in the absence of an agreement the federal government would be in a position to act unilaterally. We know this deal was accepted only reluctantly by the provinces. We believe the provinces were blackmailed by the federal government, that they were forced into it and that the arrangements will have a particularly bad effect on the disadvantaged provinces—including Manitoba, Saskatchewan, Prince Edward Island, Newfoundland and Quebec, the province about which we have heard so much.

Let me pause for a moment to say, again, that though we have heard so many speeches on the subject, so much good will expressed for the people of Quebec, when it comes to hard cash, that province along with the other six have-not provinces will, as a result of this agreement, in the next five years get substantially smaller payments than it would have received had the old agreement simply been extended. We believe this is a bad agreement. It should be opposed on the grounds that the people of Canada are entitled to a continuation of programs which guarantee them certain basic services, such as hospital insurance, medical insurance, and post-secondary education.

Along with post-secondary education, hospital insurance, and medical insurance, this bill deals with two other aspects of financial arrangements between the federal government and the provinces. It provides for equalization payments and for revenue-guarantees. Let us consider the revenue guarantee.

In 1971, when the federal government brought in tax reform, the share of new tax revenue accruing to the provinces was reduced. To make up for this, and to allow the provinces to make the necessary changes in their other sources of revenue to compensate, the federal government initiated the revenue guarantee program which was to last for five years (1972-1976). It agreed to pay to the provinces the shortfall between what they were currently receiving in income tax and what they would have been receiving prior to tax reform.

After the program was underway, the then minister of finance, John Turner, said he would consider continuing the guarantee program. This makes sense—particularly when you consider that by ending the straight 50-50 sharing of costs under the expensive health and post-secondary education programs, the federal government was shifting a potentially heavier burden onto the provinces.

[Mr. Orlikow.]

We know from the discussion which has taken place with regard to both the hospital and medical insurance plans that what the federal government proposes to pay for the next four years amounts to tens of millions of dollars less than it would have paid under the 50-50 cost-sharing program. We know already that the indexed federal payments, while rising in relation to the GNP and the growth in tax revenues, will not be large enough to make up 50 per cent of the cost of the programs. Surely if the provinces have to finance the risks of new programs, they should have the tax base available to them in 1971.

Then in April, 1976, the federal government announced that it was ending the revenue guarantee program and that, in addition, it was reducing the payments to the provinces for the last three years of the program—1974, 1975 and 1976. This meant that, to use 1976 as an example, the 10 provinces would be receiving not $1,600 million in payments, but only $900 million.

The provinces argued that, to make up for the end of the revenue guarantee, the federal government should transfer to the provinces four personal income tax points. A personal income tax point varies in value from province to province; in some, it is worth as little as $4 a head, in others it is as much as $10 a head.

The federal government offer eventually accepted was one personal income tax point and cash equivalent to another. This means, according to federal estimates, that the provinces will be receiving in 1977, $400 to $460 million, instead of the $900 million received under the revenue guarantee. Mr. Speaker, may I call it ten o'clock?

* * *

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Might I ask the acting government House leader what the business is for tomorrow?

Mr. Goodale: It would be our intention to continue debate on the subject matter presently before the House until the discussion can be concluded. If discussion on Bill C-37 continues for some considerable length of time tomorrow we would expect to move on to the legislation dealing with human rights and try to conclude that debate.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.