

ing the period 1974-76? I ask this because it has been rejected as an approach by all the provinces as being a reneging on an earlier commitment and, specifically, will cost the province of Ontario, for example, some \$300 million and the province of Manitoba some \$30 million.

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I do not accept the description by the hon. gentleman of the government's position with regard to revenue guarantee. The figures we have set forth are an accurate estimate of our obligation under the revenue guarantee program. Therefore, while this matter will be discussed, while the provincial reaction will be discussed prior to the meeting of first ministers, it would not be my intention at this point to change in that regard.

● (1440)

Mr. Broadbent: A supplementary question, Mr. Speaker. With respect, the minister's description of the facts flatly contradicts the understanding of all provincial governments. Is the minister telling the House that he did not propose to the meeting of provincial ministers of finance a change in the formula which was worked out in the early 1970's and which the provinces thought would apply to the end of 1976?

Mr. Macdonald (Rosedale): Mr. Speaker, I pointed out to the meeting that the method of calculation originally proposed by Manitoba and Ontario, that is to say, side by side calculation, can now be carried out because of the additional information available. It now indicates with greater precision the amounts to which provinces would be entitled under the revenue guarantee.

PROPOSED CEILING ON EQUALIZATION PAYMENTS— GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): A final supplementary question, Mr. Speaker. Since the report concerning the minister's meeting with the provincial ministers also suggested that the federal government wants to impose a ceiling on yearly increases in equalization payments to the seven poor provinces, will the minister assure the House that the federal government does not intend to put a ceiling on equalization payments, because such a ceiling is a contradiction in terms and would negate the government's entire approach to equalization in Canada?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, it is our view that the federal government's obligation under equalization should not be infinite. If the hon. member shares that view, he must agree with me.

Mr. Broadbent: Well, what's equalization all about?

ALLEGED CHANGE IN CALCULATION OF REVENUE GUARANTEE—GOVERNMENT POSITION

Hon. Robert L. Stanfield (Halifax): Mr. Speaker, may I direct a supplementary question to the Minister of Finance? Is it correct that the change the minister is suggesting in the calculation of the revenue guarantee relates to 1975 and 1976? If so, how can he argue that this is not a retroactive change in the equalization formula, as

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interpreted to date by the federal government and the provinces?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I think the hon. gentleman is confusing equalization with revenue guarantees.

Mr. Stanfield: With respect, no.

Mr. Macdonald (Rosedale): If the hon. gentleman is talking about the revenue guarantee, or the obligation to pay, the calculation commences two years after the year is closed. Therefore a calculation for 1974 will be possible with the information now available. The more precise calculation we can make relates to 1974, 1975 and 1976. From information available, it appears that there probably was an over-payment in 1972 and 1973. The federal government does not seek to recover that.

Mr. Stanfield: A supplementary question, Mr. Speaker. Who is the authority on the correct method of calculation? Is the Minister of Finance setting himself up as the unique authority on the correct method of calculation, or will this be done by some method of determination consistent with federalism as practised in this country?

Mr. Macdonald (Rosedale): Mr. Speaker, the Parliament of Canada has given responsibility in this regard to the Governor in Council and the Governor in Council will exercise it.

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NATIONAL REVENUE

DISTRIBUTION OF PUBLICATION "HOW YOUR TAX DOLLAR IS SPENT" TO SCHOOLS—ALLEGATION OF EXTRAVAGANCE

Mr. Bill Jarvis (Perth-Wilmot): Mr. Speaker, my question is for the Minister of National Revenue. As most Canadian high school students at some stage in their school careers study the economics of government spending, is it the policy of the minister's department to distribute a modest number of copies of the annual publication entitled "How your Tax Dollar is Spent" to all Canadian secondary schools?

Hon. Jack Cullen (Minister of National Revenue): Mr. Speaker, I do not know if that is the policy but, most assuredly, the publication will be available to those who want it.

Mr. Jarvis: A supplementary question, Mr. Speaker. Can the minister explain why his department, which is preoccupied with restraint, sent 2,000 of these booklets to Listowel high school which has a student population of less than 1,100?

Mr. Cullen: Mr. Speaker, I imagine the department listened to the hon. member's exaggerations and thought there was a bigger high school in Listowel.

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a supplementary question for the Minister of National Revenue. Will the minister explain why his department sent six cartons of the publication to a school