

*Medicare*

insurance to be carried by provincial governments or by agencies of provincial governments, should stand. We think there should not be this wide loophole that the minister has put in this legislation, in subclause 2.

We are back again at the question of the government standing by its commitment. We feel that in the summer of 1965 the government took a very good position when it announced the four criteria which would have to make up a medical care program. We felt the government went one step farther, and we approved when in the fall of 1965, particularly as the election came round, it made a firm commitment that a plan based on these four criteria would be in effect by July 1, 1967.

One by one the five cardinal points, the effective date and the four criteria, are being watered down and we do not think that is good enough. We are therefore strongly and vigorously opposed to the amendment of the hon. member for Simcoe East. We shall also move later for the deletion of subclause 2.

**Mr. Forrestall:** Referring to the background of the amendment moved by the hon. member for Simcoe East, I should like to review briefly the minister's position as it affects clause 2. At page 7548 of *Hansard* for July 12 the minister, in dealing with the principles inherent in the bill as a whole reiterated the third principle as follows:

The third principle which the federal government considers to be essential is that of public administration. It is obvious that when the federal government makes substantial financial contributions available to the provinces, a provincial government must be capable of taking full responsibility for the use to which these contributions are put.

• (2:40 p.m.)

The provincial plans should be non-profit and subjected to public audit, and the administrators of the plan should be answerable to the public through the provincial legislature.

Mr. Chairman, there is nothing wrong with that. It does not in any way offset or undermine the intention of this amendment. The only thing wrong is that the minister went on to make several other statements qualifying and requalifying what he had said. As reported on page 7548, he goes on to say:

Once more I would like to point to the experience we have had in hospital insurance, which is as relevant to public administration as to universal coverage. Hospital insurance programs, without exception, are administered by the provincial governments, either directly by departments of health or, alternatively, by commissions established by provincial governments specifically for this purpose. I believe I am correct in saying that there is no jurisdiction in this country which has had reason to regret this method of administration.

[Mr. Knowles.]

As to the first point, the minister is, indeed, correct, but he is also aware of another set of circumstances. He knows that in the province from which he comes there were no established and proven bodies which could have taken over this load on behalf of the government. There had to be some bureaucratic system set up. Fortunately we come from a province which has an excellent hospital insurance basis and if we had a similar basis for medicare, I am sure this matter could have been handled in that way.

Later, as reported at page 8611 of *Hansard* for October 13, the minister said in part, referring to an earlier discussion of the four principles involved in medicare:

I would particularly draw the attention of members to the added flexibility which has been incorporated in the principles concerning universal coverage and public administration. This has been done without eroding the purpose for which these principles were set out.

In the course of the same speech the minister shifted his ground slightly and said:

Other questions raised by provincial governments related to the principle of public administration of the program. Here, too, it will be noted that flexibility has been built into the bill. The bill requires that a provincial plan must be—

Then, he went on to quote the relative clauses.

Notwithstanding this assurance of flexibility, I suggest that the provincial ministers of health, after consultations with the attorneys-general of the various provinces, are convinced that the possibility of provincial authorities using public bodies which have already been formed, for example, doctor-administered insurance programs, is ruled out on legal grounds. The doctors are not sure that the bill, as it now stands, is sufficiently flexible to permit this type of administration. In spite of the assurances given by the minister on at least three occasions, their fears have not been allayed.

As reported, again, on page 8611, the minister says:

The bill also makes provision for circumstances in which the province may authorize an agency, such as an insurance carrier, to carry out certain responsibilities on behalf of the provincial government, provided, of course, that the principles relating to public administration, including the non-profit principle, are adhered to. Where such carriers are appointed as agents by the provincial authority, then the carrier may be empowered to receive premiums from subscribers, but such premiums must be remitted by the carrier to the provincial authority.

Similarly, the carrier may be empowered to receive accounts with respect to insured services