

measure. I believe it is the best tentative measure that could be devised, in the light of experience available at this time. I would like to think that as time goes on and as experience is developed the measure can be improved and strengthened. I have particular reference at this time, not so much to the great need of people for some hospital insurance—I think that has been well demonstrated in the speeches we have heard this morning—but, as this is an attempt to provide hospital insurance, to the hospital facilities themselves.

May I refer to the interpretation section of the bill, section 2, and in particular to paragraph (d) which reads:

"cost" means the cost, to be determined as prescribed in the regulations, of providing services in hospitals, but does not include

- (i) any amount expended on the capital cost of land, buildings or physical plant,
- (ii) any amount expended for the payment of any capital debt or interest thereon,
- (iii) any amount expended for the payment of any debt incurred prior to the coming into force of an agreement or interest thereon, or
- (iv) any provision for depreciation on the value of land, buildings or physical plant;

Honourable senators, perhaps most of the hospitals in this country are owned and operated in conjunction with municipal organizations. Hospitals of that character probably do not find the securing of money for capital requirements and servicing of their debt too difficult a task. Let me take an example: the Ottawa Civic Hospital is a fine, long-established institution. During its history it has spent large capital sums for expansion and development. When it requires such money, it applies to the Corporation of the City of Ottawa, and, if its program and budget proposals are approved by the city council, municipal debentures are issued to defray the cost of the capital program involved. In other words, the capital requirements of these publicly-owned hospitals, municipally-owned hospitals, are "on the rates".

On the other hand, the private institutions, the voluntary hospitals—and there are a great many of them, spread throughout the country—must appeal to the public for funds to cover their capital requirements, or must obtain the funds out of charges against the patients who come to the hospitals. I simply leave this idea with honourable senators.

I am informed that because no part of the federal contribution is going to take cognizance of the capital requirements of hospitals, including voluntary hospitals, the Canadian Hospital Association, which is made up of voluntary and privately-owned hospitals, is very much concerned about the future of appeals that they might have to make to the

public for money to defray costs of expansion and other increasing capital requirements. I do not make this statement with a view to being critical of the measure generally. I agree with the honourable gentlemen who have spoken of this measure as a step toward providing a form of social legislation which this country requires. The honourable leader has said nothing yet about how the scheme is to be paid for, and perhaps at the moment it is premature to ask, but I know there are plans.

Hon. Mr. Macdonald: Paid for by whom?

Hon. Mr. Connolly (Ottawa West): I mean, plans as to where the federal money will come from.

Hon. Mr. Macdonald: The consolidated revenue.

Hon. Mr. Connolly (Ottawa West): Thank you. I simply want to say that, while I do not oppose the measure, I believe a problem will emerge as a result of the definition of "cost" which I have cited. It is most important, I think, that the position of the voluntary hospitals and their problem of meeting capital requirements be kept in mind as the program envisaged by this measure is developed.

Hon. Mr. Croll: Honourable senators, may I rise on a question of privilege? I said a few minutes ago that I thought the honourable senator from Ottawa (Hon. Mr. Lambert) had introduced a resolution on this subject at the Liberal party convention of 1919. I have before me the House of Commons *Hansard* of Monday, March 25, 1957, and from page 2650 I quote—

The Hon. the Speaker: The honourable senator cannot quote from current proceedings of the House of Commons.

Hon. Mr. Croll: May I then make a statement without quoting *Hansard*? I said that at the Liberal Party Convention of 1919 the honourable senator had moved the resolution dealing with hospital insurance. I was wrong. The House of Commons *Hansard* indicates that Mr. Mackenzie King moved the resolution, that Senator Roebuck seconded it, and George P. Graham and D. D. McKenzie spoke to it on August 1, 1919.

Hon. W. Rupert Davies: Honourable senators, I am going to be brief. I regret very much indeed that a bill of this importance, and evidently a controversial bill which I think should be studied by a committee of the Senate, has been brought to us the day before Parliament is expected to prorogue. It is a regular practice to send bills over to us late in the session,