

*Medicare*

**Mr. Rynard:** Mr. Chairman, I should like to move an amendment to this paragraph as follows:

That paragraph (a) of subsection (1) of section 4 of Bill C-227 be amended by deleting lines 1, 2 and 3 thereof and substituting therefor the following:

(a) The plan is administered and operated on a non-profit basis by an authority approved or designated by the government of the province

My reason for this amendment is that if any other step were taken it would constitute gross interference on the part of the federal government. It would put the authority operating the plan in a strait-jacket. The plan is going to be operated on a non-profit basis, so I think the wording should be changed and I so move.

● (2:30 p.m.)

**Mr. Knowles:** Mr. Chairman, we are not only against this amendment, we think that what it provides is already in the bill in subclause 2 of clause 4, and we are against it there as well. As a matter of fact, I have already indicated that at the appropriate moment I shall move, as an amendment to clause 4, that subclause 2 be deleted.

If I may describe the situation as I see it, let me put it this way. On page 3 and 4 of the bill we have spelled out the four criteria that the government announced in the summer of 1965 as the basis of its medicare legislation. These criteria were that the plans were to be carried by a public agency; that they should provide wide coverage, that they should be universally available, and that coverage should be portable. We are now dealing with those four criteria, one after the other.

In my view the government has retreated from the position it took in July, 1965, in providing through paragraph (a) that the carriers of this insurance in a province shall be of a public nature, by modifying that paragraph with the provisions of subclause 2 on page 4 which says that a province does not have to abide by paragraph (a). The province is free to designate a private carrier to handle this insurance, provided that carrier does this on a non-profit basis and has its books subject to inspection by a public body.

It seems to me what the hon. member for Simcoe East is asking is already in subclause 2. I want to make it clear that we are against this either way. The hon. member for Simcoe East may feel that he has to make doubly certain of the point, but in either case we think this house should oppose this proposition. As I say, we of this party accepted with

as much enthusiasm as we could feel for anything coming from the Liberal party, the announcement of July, 1965, concerning medical care legislation. We liked the four criteria the Prime Minister laid down. It is my contention that at least three of these criteria are being watered down, though at the moment we are dealing with this one before us. Certainly, my understanding with regard to this one criterion was that a plan to satisfy the terms of the federal legislation was to be operated by a provincial government or an agency of the provincial government.

As I understood the Prime Minister's statement, private carriers were not to get into this picture at all. Now, the Minister of National Health and Welfare, by subclause 2 of clause 4, and the hon. member for Simcoe East by his amendment to paragraph (a) say that it is perfectly all right for private insurance companies to carry the medical insurance of the province, provided those companies do it on a non-profit basis.

This may sound very plausible. It may sound as if we think insurance companies are very generous when we talk about a public scheme being carried by private carriers on a non-profit basis. I suggest that it will not work out that way. In the first place, the bookkeeping difficulties are tremendous as between what portion of a private company's business is profitable and what portion is non-profitable. There is also what is known in business as providing loss-leaders. I can see private insurance companies welcoming the chance to carry this kind of insurance for a provincial government on a non-profit basis so that these companies will be in a position to go to the persons who carry this insurance and say to them, "We are providing this part of the insurance; we are the ones to sell you additional insurance", and so on. I suggest there are all kinds of unfair complications such as that which can develop. In principle, it is wrong to have a public scheme such as this set up in such a way that the private carriers can operate it. The suggestion that they do it on a non-profit basis is hollow so far as we are concerned.

We do not know what you will do about this amendment, Mr. Chairman. You may decide that it is in order because it provides what is provided in subclause 2 or you may say it is out of order for that reason. Either way, we are opposed to it, and we shall go all the way, at the appropriate time, in moving that clause 4 be amended by deleting therefrom subclause 2. We think that the principle set out in paragraph (a) as it stands, which provides for the