

*Medicare*

authority. However, the designated bodies, including commercial carriers and co-operatives if they were so designated, could play a limited role. This is in accordance with the practice which exists in the Saskatchewan plan where at one point commercial carriers did play the limited role of collection, and I believe it gives an opportunity for greater flexibility without removing any of the advantages of the plan. I would therefore suggest to the committee that it defeat the amendment.

**Mr. Orlikow:** Can the minister explain what useful purpose the private carriers could play if they were permitted to play a part in the administration of this plan?

**Mr. MacEachen:** For example, it would be possible for a provincial government to allow them to continue their present work involving the collection of receipts, premiums and so on, while the assessment of the accounts and the determination of the amounts to be paid with respect to these accounts would be undertaken by the provincial authority. It might be possible for this role to be usefully played by commercial insurance companies and by co-operatives in certain instances. I had argued that this was the case in the Saskatchewan plan and I went to some pains to investigate it. I have found this to be the case. I want to assure my hon. friend that there is no need for him to be concerned because this is well in accord with the best possible public approach to medicare.

**Mr. Orlikow:** I should like to ask the minister one more question. Will the use of a number of carriers rather than one agency not increase the cost of administration?

**Mr. MacEachen:** We, as the federal government, are not proposing to share in the administration expenses. It will be obviously in the interest of the provinces to bear the least possible administration costs. If that leads them to a single system, then, of course, this is possible for them, but it is up to the provinces to bear those costs. We are sharing the costs of insured services, not of the administration of the plan.

[*Translation*]

**Mr. Caouette:** Mr. Chairman, the amendment moved by the hon. member for Winnipeg North Centre (Mr. Knowles) obviously smacks of socialism. Its object is to deny the provinces the right to appoint the agent of their own choosing to collect the contributions to the plan. Yet, my friends of the N.D.P. have repeated time and time again that the rights

[*Mr. MacEachen.*]

of the provinces must be respected. I do not believe that having several collecting agencies would increase the costs of provincial medical care recognized by Ottawa. On the contrary, we may see agencies compete with one another and offer provincial governments preferential rates in order to collect the amounts the insured will pay.

Mr. Chairman, as we want the provinces to have as much latitude, as much freedom as possible, we are going to vote against the socialist amendment moved by my friend the member for Winnipeg North Centre.

[*English*]

**Mr. Lewis:** Mr. Chairman, let me say one word on this. I think the Minister of National Health and Welfare is right that it is part of the Saskatchewan plan. It was one of the concessions wrung out of the government in July, 1962.

● (4:40 p.m.)

Let me point out that the question asked by the hon. member for Winnipeg North is perfectly relevant. Let me inform the hon. member for Villeneuve that if he looks at the Hall report he will find—I am sure I am paraphrasing the situation correctly—that the administrative cost of private plans is approximately 28 per cent of every dollar. The administrative cost of the Saskatchewan plan is six and a fraction per cent of every dollar. In every province where some public supervision has already been introduced, namely, in the provinces of British Columbia, Alberta, Manitoba and Ontario, the administrative costs of the plans are below the 28 per cent which was found by the Hall Commission to be the cost of private plans. So that the cost of administration of these plans by non-profit organizations through non-profit public agencies is a very real saving compared with the cost when administered in another way.

The minister is right about the concession made in Saskatchewan. I know, as he does, that among ourselves we refer to these various insurance companies as post offices which collect the premiums and hand them on to the medical care insurance commission of the province. I gather from the hon. member that that is what he thinks should be done here.

I suggest that another reason this subclause ought to be dropped is, in my respectful submission, that it is redundant. If the hon. member wants to use these private agencies merely as post offices to collect premiums and to hand them on, enabling these private agencies