

insurance, but have not looked carefully into the details of this bill. Generally speaking, I take it that the plan is one of endowment on the part of the federal Government, which the provinces will administer at their own levels of efficiency and need, according to the requirement of each province.

I think one very important principle involved is the extent to which this plan, if adopted by a sufficient number of provinces, will supersede entirely the present voluntary efforts of a vast number of people in this country to provide for their own needs, and those of their families, in time of illness and when the need for hospitalization arises. I know of many cases of younger people who through the co-operative effect of such movements have been able to relieve themselves of many of the heavier costs that prevailed in years gone by. It seems to me that a line of demarcation might be drawn in the application of this plan which would enable those who are able to bear the cost of voluntary hospitalization for a period of, say, three months, to do so. I say three months purely as a tentative period. After a period of, say, three months a great many victims of illness in need of hospitalization could then come within the scope of a public insurance plan in each province. I mention this from the point of view of economy only. I do not like the idea of establishing a level of payments to the provinces before it is known exactly how much they require. There is an estimated cost of \$182 million or \$200 million connected with the application of this legislation. If the provinces are to administer this whole plan, in addition to their own donations, it seems to me—and this has already been suggested in the province of Manitoba—that the plan should be based to a certain extent on a means test. It should not eliminate or supersede entirely the desire of people to avail themselves of their own voluntary services in times of difficulty, when they are perfectly capable of maintaining a voluntary insurance plan. Why eliminate that very desirable factor in the life of this country?

Hon. Mr. Euler: May I interject to say that perhaps the scheme is based on the same principle which the Government applies to old age pension. A good many people who receive the old age pension do not need it.

Hon. Mr. Lambert: I had that in my mind when I commenced to speak. The principle is very similar to that of the old age pension. My own feeling about that, quite frankly, is that there should be a means test for the old age pension, too.

Hon. Mr. Davies: Hear, hear.

Hon. Mr. Lambert: For instance, I doubt if the honourable senator from Waterloo (Hon. Mr. Euler) is in need of an old age pension nearly as much as I am.

Hon. Mr. Macdonald: You are not getting one.

Hon. Mr. Lambert: I know. I also know that legislation in this country, as in other countries, is based on the greatest good to the greatest number, a principle to which I subscribe, as a liberal of the John Stuart Mill school. At the same time, I also put a premium upon the willingness and the desire of people, especially young people coming into good-earning years of responsibility, to pay their own way as far as they are able to do so. It seems to me it should be made very clear that this plan of health insurance should be extended to benefit that section of our population which is below the average economic standard of our country, so that when sickness or misfortune overtakes them, they can be provided for. I think that should be kept in mind, and that a line of demarcation should be established, in the way of a means test of some kind, to lessen the cost of the service, particularly from the point of view of the federal treasury, which in the end is not going to be the controller of this situation at all. The controller is going to be each province which administers the act.

Hon. Mr. Davies: May I ask the leader (Hon. Mr. Macdonald) to clarify the position? I am somewhat concerned since hearing what the honourable senator from Ottawa (Hon. Mr. Lambert) said. Will this legislation completely wipe out the insurance which, for example, industries have taken out for employees in the Blue Cross plan or the Physicians and Surgeons plan, or will industries continue to have the privilege of maintaining their own private insurance agreements?

Hon. Mr. Macdonald: That would be a matter for each province to decide. But if they do maintain agreements such as my honourable friend mentions, the federal Government would demand that these apply to all members of the organization concerned. Just what the Government would do if the provinces allowed industries to carry on these agreements, I cannot say; but I can assure my honourable friend that the Government would examine the agreements most carefully. The purpose of this legislation is to cover every person.

My honourable friend from Ottawa (Hon. Mr. Lambert) referred to voluntary schemes. It is very interesting to note how the cost of this arrangement will affect, for instance, the