It is of interest to note that only two provinces and one of the territories made provision in their respective laws for authorized charges during the first decade of the program. Only in the last year has Saskatchewan also chosen to levy such a charge. In all circumstances, however, the charges are subject to the terms of the federal-provincial agreement, thus ensuring the maintenance of a reasonable level.

The situation with regard to the Medical Care Act is somewhat similar to that of hospital insurance in so far as the principle of provincial jurisdiction is concerned, and to the necessity of leaving to the provinces the right to operate their own programs in their own way as long as general principles are maintained. The general principles do not extend to the details of provincial financing, except in so far as ensuring that there are no financial obstacles imposed to insured services.

The Medical Care Act, unlike the Hospital Insurance and Diagnostic Services Act, does not envisage the use of the agreement mechanism, which had been a feature of shared cost health and welfare programs over a period of some years. Thus the federal government lacks the same opportunity, made possible through the hospital insurance agreements, to judge the level of authorized charges. In order to compensate for this lack, however, the Medical Care Act does require that insured services be provided to all residents upon uniform terms and conditions on a basis.

—that does not impede or preclude, either directly or indirectly whether by charges made to insured persons or otherwise reasonable access to insured services by insured persons.

The effect of this provision in section 4(1)(b) of the Medical Care Act is to permit the federal government to consider that one of the essential principles has been breached, in the event that a province should impose deterrent or co-insurance charges at a level which impedes access to insured services.

Furthermore the formula for the calculation of the per capita cost of insured services, as set out in section 5(2)(a), specifies that this shall be based on costs incurred by the province. If a co-insurance or deterrent charge is levied, the income from such charges is not considered to have been incurred by the province and therefore does not form a part of the amount on which the federal contribution is based. The effect of an authorized charge, therefore, both under the hospital insurance legislation and the medical care legislation is to make such a levy a disadvantage to the province in so far as the amount of the federal contribution is concerned.

As an ideal, Mr. Speaker, I believe we all like the idea of free medical and hospital care insurance programs, but we have to take the matter of human nature into consideration. It is not uncommon for people to go to a doctor even though they have nothing wrong with them.

Some hon. Members: Shame.

Mr. Foster: We have to consider the diverse nature of our country. We have a federal state because our country is so diverse. We make provision for the provinces to carry out the programs the best way they can within their jurisdiction. I believe this is primarily a provincial matter and that we should allow the provinces to decide how they will administer their respective programs, because it is constitutionally their responsibility.

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I would like to make a few remarks on the motion of the hon. member for Regina-Lake Centre (Mr. Benjamin). We listened with a great deal of interest to the arguments he put forward, but I think we have to keep in mind certain other facts. There are facts on both sides of the coin. For instance we have seen Great Britain go full cycle. The medical authorities there are now imposing deterrent fees for drugs. So the problem of what is to be done about galloping hospital costs and medical care costs is not a closed book.

Any form of so-called free hospitalization or free medical care constitutes in effect an open ended program which can escalate very quickly without proper and necessary controls. It is a fact of life that where you have third parties who do the paying there does not appear to be the same concern about the costs of the plan involved. Previous to 1959 there was no so-called—and wrongly called—free hospitalization federally. The patient had a hospital pre-paid plan—Blue Cross or some other plan. There were certain checks on this, but the costs even then went up with those plans. Blue Cross was selective, as it operated on a group plan, mostly with payroll deductions.

With the advent of the Hospital Insurance and Diagnostic Services Act the costs began to skyrocket. In 1953, for instance, before the measure was enacted, the cost of active treatment hospitalization in Canada was $280.4 million, in mental hospitals it was $57.8 million and in the federal hospitals $36.4 million,