

*Income Tax Act*

mutual companies. The little fellow who buys life insurance today buys a policy of \$5,000 or more by paying a premium once a year, half-yearly, quarterly or even weekly. He does this to create a nest egg and to look after his wife and family in a small way if death overtakes him. If he can afford enough insurance he is in a position to look after his wife and family entirely and take the burden off the country. In other words, he may prevent the payment of welfare. People buy life insurance for two purposes: First, to create an estate and to protect their families and, second, as a saving. The fellow who will have to pay the tax on this insurance is the ordinary fellow who lives in your town and my town. It is not the corporations or Insurance Companies that will pay it because in the long run they will come right back to the person who has bought the insurance. When one considers all the arguments I do not believe this is fair.

I should like to leave with the Minister of Finance the suggestion that medicare, welfare payments and the insurance question are of vital importance to the Canadian people. They are matters of concern to the little people across Canada. Justice must be done for the people at the lower level of society, the poor people. It is not sufficient to mouth words. Actions speak much louder than words, and action is overdue.

**Mr. Gordon Ritchie (Dauphin):** Mr. Speaker, I should like to say a few words about the social development tax. When the minister introduced this tax some time ago it was based on the need to provide additional funds for medicare and the promotion of the medicare program. The mere fact that it was based on a maximum of \$120 a year is evidence that the government recognized that if it were higher it would reduce substantially in some cases the productivity of many of the citizens in the higher brackets, particularly those in higher wage earning brackets. So it was necessary for the minister to set a limit. In some ways it may be an unfair limit but it is an indication that at least we are approaching the limit of taxation so far as incomes are concerned.

Since this tax was introduced with the idea of paying for medicare, I believe, I should like to say a few words about it. When health care is free, consequently supply and demand are not kept in balance by price. When resources are limited both theoretically and in practice, supply must be controlled by means other than price. These forms of control are adopted deliberately or by default, usually

[Mr. Rynard.]

unrecognized and very often unproclaimed. We tend to deny that the demand for health care is unlimited. We assume that there is a need and that if that need is met there will be no further demand.

Let us consider some of the advances in the health care field. If a kidney machine benefits one person, there are many more whom it would benefit. More of these machines are required. If a heart-lung machine benefits one person, there are many others whom it would benefit. So we require many more of these machines. If the availability of health care increases, so also does the demand for health care increase. There is no limit to the amount of health care an individual is capable of absorbing. We would all benefit if our ailments were treated sooner.

There is a vast range in the quality of care provided by a general practitioner and a specialist. There is a wide range of alternative treatment involving skill, care, and all the other things that go with it. In the health care field we have improved the survival rate of our people. In short, the appetite for medical treatment is unlimited. There are many other good things in life, but limits are placed on these by the impersonal force of circumstances in most cases. When human needs become good things, public responsibility is taken for supplying them.

The supplying of food and clothing which, while much more necessary than health care, are not regarded in the same light. It is characteristic of health care today that its public position is exceptionally problematic. The demand for health care is not only potentially unlimited but is also by nature not capable of being limited in a precise and intelligible way. We might compare it to education where again demand is also unlimited. It can be limited by the fact that children go to school in a certain age group. It can be limited by the nature of the subjects that are taught and by the fact that the size of classes is limited. In other words, in education we limit the quantity and quality of demand even though the demand is unlimited. There is no similar situation in respect of health care and there are no similar criteria for health care which can be introduced. Popularly the need for any criteria at all is strongly opposed by many people.

• (4:40 p.m.)

I would like to point out that in the implementation of medicare the federal government has been guilty certainly of a lack of consideration and inconsiderate application of the act. No attempt has been made in any