

*Income Tax Act*

with the hon. member for Winnipeg North Centre, feel that I am in sympathy with the spirit which prompted the moving of this resolution.

I spoke about helping those who help themselves. In the last couple of generations—and I suppose in the last generation particularly—we have seen an absolute transformation in the extent to which the state looks after people. That situation has developed with the approval of everybody. It has now gone to extraordinarily comprehensive lengths. For example, I learned today that company retirement plans prevail in respect of 70 per cent of industrial employees.

Let me put it differently. Seventy per cent of industrial employees are in companies where there are pension plans. I am not sure whether that is exactly the same as saying that 70 per cent of employees are participants. No doubt that is roughly true. We look back not so far to the Victorian days when the principles of *laissez faire* still applied, and when the most high-minded and humane people could tolerate things which now seem to us to be almost incredible. They could tolerate little children working long hours; they could tolerate women doing heavy work in mines underground, and all the other things we know of. I need not take time to enumerate them. We all know also how that sort of thing was finally done away with under the influence of Charles Dickens and innumerable other people whose names are well known. As I said a moment ago, we know how the situation has changed.

On the other hand, I think it is desirable for us to remember that this change was possible, and is still possible, only because in a large department of life we have individual effort keyed up to its highest pitch. These pension plans of which we speak, and which are now so widely accepted in industry, are possible to their present extent only by reason of the most intense individual effort and by reason of the competitive system under which we live. I therefore come to the point I wish to make, namely that I welcome this amendment because it is an attempt to help those who help themselves.

I am going to do something which I very much dislike doing. I am going to read at some little length from a speech made two years ago by the head of a life insurance company, namely Mr. W. M. Anderson of the North American Life Assurance Company. This speech was made in February, 1954. From it I want to read a few sentences which argue the case for tax concessions to those who try to help themselves

by means of insuring health. I apologize again for the reading:

. . . The fact that health insurance premiums are not counted in determining the amount of exemption means that there is no tax inducement as in the United States to purchase health insurance coverage.

I should like to interject here that it seems no matter how much we are able to do through the state, no matter how much the Minister of Finance is going to announce to us later in the session, nevertheless there is always a great area in which people will be better off if they are able to do things to help themselves. It is for that reason I am in sympathy with this resolution. I continue to quote:

This point is of particular importance in the case of persons in the lower tax brackets—

I think that is very important to remember. —where adequate health insurance coverage may cost more than 3 per cent of income of itself. It is interesting to note that the American concept if applied in the context of the Canadian 3 per cent floor would have the effect of providing a tax inducement to purchase voluntary health insurance coverage which would be of greatest value in the lowest tax brackets. Thus the American concept has the effect of encouraging the purchase of health insurance in the very income groups where protection is most needed.

I should like to interject for a moment that it seems to me it is these “catastrophic” costs we should be trying very hard to devise a means of meeting. I continue to quote.

Life insurance companies form but one of a number of types of organization which provide voluntary health insurance. However, the life companies in their life insurance and annuity business are already in continuing contact with most of the families and employers in the community. They have a well developed corps of life underwriters and well organized collection and claims administration procedures all of which are conducive to the efficient operation and expansion of voluntary health insurance. Furthermore, they have substantial resources to guarantee the fulfilment of their contractual obligations in this field. In the United States the companies provide health insurance as an integral part of their overall operations and in recent years there has been a very rapid expansion in this phase of their business and in the number of companies engaging in it.

Then Mr. Anderson says:

It seems to me to be a great pity that Canadian law severely restricts the operations of the Canadian life insurance companies in this field.

Then he goes on to point out the way in which they are restricted. I want to interject here that I realize there are two sides to the argument on this point. At the present time the authorities do not feel that they want to allow the companies to venture too much of their purely life insurance funds in this