

*Income Tax Act*

**Mr. Trainor:** Would the hon. gentleman permit a question?

**Mr. Fairey:** Certainly.

**Mr. Trainor:** Do not the resolution and the amendment as worded still permit him to deduct that expense?

**Mr. Fairey:** Yes, I was coming to that. I should like to point out to the mover of the resolution, the hon. member for Winnipeg South, that there would be a tremendous difficulty in calculating how much I paid to the province of British Columbia by way of 2 per cent of the 5 per cent sales tax, as a premium for my hospital insurance. It would be an impossibility to calculate how much each individual in British Columbia pays by a levy of 2 per cent on all his purchases.

**Mr. Trainor:** If the hon. member has a suggestion as to how that might be done, I should be happy to include it.

**Mr. Fairey:** I am just saying it is impossible to do. I have no suggestions as to how it could be done. That is why I oppose this resolution. I think it is not possible to put clause 3 into effect.

**Mr. Trainor:** It is in Saskatchewan.

**Mr. Fairey:** It is not in British Columbia, at least I do not think it is.

**Mr. Trainor:** It could be.

**Mr. Fairey:** What does that leave us? It leaves us the choice, as far as British Columbians are concerned, between the A and the B. I know that an amendment has been moved and that the medical expense is to be, I take it from the amendment, the total amount of medical expense. We have that, of course, with regard to expenses over 3 per cent.

I have not made any study of the figures in order to calculate how many persons would benefit to any great extent by being allowed to deduct the total amount of their medical expenses, but I would just point out this feature. In my opinion, the principle underlying this matter is that we are all obliged to make some provision for what might be called the ordinary expenses of living, and included in that category is a certain reasonable amount which we should set aside for health purposes and medical expenses. That is why a limit has been placed upon the amount to be deducted for income tax purposes, and it has been gradually reduced from 5 per cent to 4 per cent and now to 3 per cent. It seems to me that to allow all of it would defeat what I think is a good theory, namely that everybody should be encouraged to provide for his own well-being

[Mr. Fairey.]

up to a certain reasonable amount, and that it is only when disaster or a large bill from a serious illness strikes an individual that he should be allowed to make a deduction for income tax purposes.

The objection I have to the suggestion that deductions be allowed for premiums on insurance policies in connection with sickness or accident is that I can visualize the tremendous amount of bookkeeping that would have to be taken care of in the income tax department if every person who carries a sickness and accident insurance policy is permitted to show his vouchers with his income tax return.

Once again I suggest that this is, as I said a moment ago, one of the normal expenses of living. If the hon. member were to concentrate on the Minister of Finance (Mr. Harris) with regard to the first item and have that 3 per cent gradually reduced as he feels able to do so, I suggest it would be more in line with what the hon. member desires.

**Mr. J. A. Smith (Battle River-Camrose):** Mr. Speaker, we in this group had intended to support the spirit of the original resolution. We are happier now to support it as amended because the amendment has led, in our opinion, to a clarification. We in this group feel that illness is something over which no individual has any control, and that when illness strikes the home the net income of that home depreciates. For that reason we feel that individuals who see fit to provide against any future illness through insurance schemes or hospitalization schemes should have the privilege of reducing the amount of their premiums at least by their income tax deductions.

We should also like to point out that, as far as the people of Alberta are concerned, we soon hope to be under a complete system of hospitalization and medical service under which a definite amount will be charged on a voluntary basis to families and individuals who wish to come under the scheme. It is for that reason that we support first the amendment to the resolution and, second, the spirit of the resolution itself.

**Mr. J. M. Macdonnell (Greenwood):** Mr. Speaker, I wish to say a few words in support of this resolution as amended, and I base them really on the fact that what it is trying to do is help those who help themselves. I realize that there may be some difficulties connected with it. I realize the difficulties raised by the second last hon. member who spoke with regard to certain aspects of taxation. Nevertheless I, along