

Income Tax Act

government is taking so long to bring in such a program makes it all the more imperative, it seems to me, that the government should take at least this step at the present time and should take it without further delay.

I will be the first to admit, Mr. Speaker, that I have made this appeal so often that most of what I have said can be found in one form or another in speeches that I have made on the same subject on former occasions. As a corollary to that, I think the parliamentary assistant to the Minister of Finance (Mr. Benidickson) will not feel offended if I say he is not likely to produce very much that is new when he speaks in this debate today. In other words, I know what his arguments are going to be. They are in the book. They have been put there in former sessions.

One of these arguments is that in the view of the government such a move is wrong in principle. I like the way that somebody can say something and then later on you can pick it up and quote it and it becomes a principle almost as if it were one of the ten commandments. The parliamentary assistant to the Minister of Finance quotes Mr. Abbott in that spirit. When this matter was up last year he felt that it was a satisfactory answer to my appeal simply to quote from what Mr. Abbott had said as found at page 901 of *Hansard* for January 12, 1953. This was the quotation:

I think it is unsound, in principle, that normal living expenses of the individual should be paid out of income before tax.

You know, it sounds good, you can drive things home when you say, "in principle", but, Mr. Speaker, if that principle stands why does the government allow a statutory exemption of \$1,000 to a single taxpayer and \$2,000 to a married taxpayer, plus an addition for children? Surely these exemptions are on the basis that certain normal living expenses should be recognized first before a tax is imposed on one's income. I think that medical expenses should be in the same category, that on top of the statutory \$1,000 or \$2,000, as the case may be, there should be this allowance for medical expenses. I cannot imagine the government proposing a flat sum. They propose a bit more through the medium of this formula with this 3 per cent figure in it.

I suggest that the statement quoted last year by the parliamentary assistant to the Minister of Finance, which he picked up from the former minister of finance, is unsound and basically wrong, and that just as we allow normal living expenses to be deducted up to the figures set by the government, \$1,000 for a single taxpayer and \$2,000 for a married taxpayer, we should accord the same treatment to medical expenses.

A second argument which has been used on former occasions and will no doubt be used again today is that this would cost a lot of money. The figures vary—\$30 million, \$35 million, or if the parliamentary assistant is in an expansive mood he may run the figure up higher. I recognize that to make a change of this kind in the income tax legislation affects the balance of ways and means and would cost the government something which would have to be made up in some other way. Any change in the income tax regulations either brings in money or cuts down the amount of money that will be received. Surely it is not an answer just to say that this move will cost money and therefore we cannot do it. If what is being practised is unfair, surely the thing to do is to put a stop to that practice, and if you have to raise money to make up for it then raise it in some way that is more fair to all concerned.

Another argument that sometimes is used, though not a great deal, involves what I think is a rather specious suggestion that such a proposal will be of more help to the rich than to the poor. That of course is supposed to be the final answer to any proposal made by anybody in this corner of the house. The only time that argument was ever advanced very extensively was when the present Minister of Fisheries (Mr. Sinclair) was parliamentary assistant to the then minister of finance on an occasion when I think it is fair to say he misunderstood what I was asking for in my resolution. On that occasion he thought I was asking not only for the removal of the floor but for the removal of the ceilings.

Mr. Benidickson: You have changed your resolution since.

Mr. Knowles: I am glad the parliamentary assistant called my attention to that point. I changed the resolution to make it crystal clear that I was not seeking removal of the ceiling. When he thought—which I contend was a misinterpretation of my viewpoint—I was asking for the removal of the ceiling, the present Minister of Fisheries (Mr. Sinclair) was justified in saying that that would be a tremendous boon to the very wealthy, that it would be more of a boon to them than to those in the middle and lower income brackets. But I have made it clear that I am not asking for the removal of those ceilings.

Having done so, I wish to make it clear that any advantage the proposal I make would give to wealthier people is cut off by that ceiling. There is only a certain amount one can claim, no matter how much he spends on medical expenses. Once he reaches that point, he cannot claim more. To the extent