

my colleague the hon. member for Mackenzie (Mr. Nicholson), I move:

That the motion be amended by deleting therefrom all the words after the words "be entitled" and by substituting therefor the following words: "to include in his deductible medical expenses either (a) any amounts billed and paid under a contributory insurance or hospitalization plan, as is now provided, or (b) any premium or tax paid by him for insurance against sickness or accident or under any plan of health insurance."

The result of this amendment is that the motion as amended would read as follows:

That, in the opinion of this house, the government should give consideration to the advisability of amending the Income Tax Act so as to provide that the taxpayer shall at his option be entitled to include in his deductible medical expenses either (a) any amounts billed and paid under a contributory insurance or hospitalization plan, as is now provided, or (b) any premium or tax paid by him for insurance against sickness or accident or under any plan of health insurance.

The merit of that motion as amended, if my hon. friend from Winnipeg South will accept the amendment, is, I think, that it is clearer and that it seeks exactly what my hon. friend wants. It does not touch the question of whether or not we approve of the existing plan of deductions, which includes the 3 per cent floor. That is not there. All of us on this side of the house are against that floor. It does not alter the present right of the taxpayer to deduct amounts paid for him under a plan, as is now provided in the regulations under the Income Tax Act, but it gives to the taxpayer the right in any year to include in his medical expenses, as an alternative to the amounts paid for him, the premiums he pays in. That would mean, of course, that if there happened to be a year in which the taxpayer found the hospital bill paid for him was less than the premium he had paid, he could charge the premium rather than the amount paid. It would also mean that in those years in which the taxpayer did not go to hospital at all, he would receive credit against his income tax for this prepayment, as my hon. friend calls it, that he makes from year to year.

Mr. Trainor: He could not claim both?

Mr. Knowles: That is the intent of my amendment, that the taxpayer not be entitled to claim both what he paid in and what is paid for him but that he be entitled to claim one or the other at his option. I hope my hon. friend will agree to my suggestion that I have tried to do him a service in moving an amendment which simply makes very clear what he wants. Certainly we are in support of the request contained in the motion as amended by the amendment I present to the house.

Mr. Trainor: Mr. Speaker, may I say I am quite willing to accept the amendment as proposed by my hon. friend from Winnipeg North Centre, not because I think it clarifies things particularly, in my rather incompetent way of thinking things out, but because he apparently thinks it is a clarification. Perhaps the resolution as drafted does lend itself to the interpretation the hon. member puts on it. So if it is of any assistance to the hon. member for Winnipeg North Centre or any other hon. members to accept his alternative phraseology, I am quite willing to go along.

Mr. F. T. Fairey (Victoria, B. C.): Mr. Speaker, I was prepared to say a word about the original motion, when I just had a copy of the amendment handed to me. In the main my remarks, as I had thought of them, will apply equally to the amendment. Certainly I would commend the mover of this resolution for his intention. Any intention to reduce taxes is most commendable. But this resolution would appear to give the taxpayer a choice, and the amendment still gives a choice and, to my mind, not a good choice. Let me refer to the resolution:

(c) the specific provincial tax paid by him under any provincial scheme of health insurance.

In the province of British Columbia the sales tax was increased from 3 per cent to 5 per cent, and the extra 2 per cent goes to hospitalization. No premium is paid by any taxpayer in British Columbia, nor is any premium paid on his behalf, as it used to be a few years ago. I think it is a good scheme now, and I have benefited by it. Formerly we were subject to a premium of about \$19 or \$20 for a single person and in the neighbourhood of \$40 for a married person, and that entitled a person to receive free hospitalization and diagnostic services in the hospitals of British Columbia.

It would appear to me that to be allowed to include that small sum of, say, \$40 for a married person as a medical expense would certainly not raise his allowable deductions to the point where he would get any benefit. But should an accident or sickness occur, as it did in my own specific case, and the person be faced with a hospital bill of several hundred dollars, a person in British Columbia can include that hospital bill as a payment made on his behalf and it becomes a part of his deductible medical expenses. It seems to me that is of greater benefit to an individual than to be allowed to deduct an annual premium which for many years would not permit him any deduction at all from his income tax.