

Income Tax Act

those brackets to have medical bills of that size when it comes to making up their income tax returns, even if they do not have the cash to pay heavy doctor's bills.

The point that I have been making here, Mr. Speaker, is of course one that I have made every time this issue has been up for discussion. To me there seems to be a gross unfairness and a gross discrepancy between the treatment accorded to medical expenses and that accorded to charitable donations, just as I pointed out earlier there is a gross unfairness between the treatment accorded to repairs to property and that accorded to repairs to the human body.

Mr. Martin: Does my hon. friend wish to leave the impression that people with incomes of say \$2,400 are not to be found in the voluntary insurance groups such as Blue Cross?

Mr. Knowles: No. I thought I was leaving the very opposite implication, namely, that there are such people in Blue Cross and other plans and that when they have to go to hospital what is paid for them out of the fund which is there because they have paid their premiums is deductible for income tax purposes.

Mr. Martin: But there are people with incomes of \$2,400 or less who are subscribers to Blue Cross or other such schemes.

Mr. Knowles: There are. There is no question about that.

Mr. Martin: I thought my hon. friend had given the opposite impression.

Mr. Knowles: No. But the minister knows that does not begin to meet the situation so far as providing payment for medical costs is concerned. In fact I can send him his own speech—

Mr. Martin: I quite agree.

Mr. Knowles:—the one he made on Saturday, in which he points out that this is a pretty serious problem to which a great deal of attention is being given, and I hope that attention will soon result in the Minister of National Health and Welfare (Mr. Martin), who is complimenting me with his attention, bringing in a proposal for national health insurance.

Mr. Benidickson: May I ask the hon. member a question too? Does he realize that the deduction of expenses on property refers to business property? I recall that the writer of the letter was fair enough to use the words "business property", but the hon. member has not done so yet.

[Mr. Knowles.]

Mr. Knowles: Oh yes, that is quite true. You get deductibility for repairs only if you are the kind of taxpayer who uses the T1 general form which means that you have to be in business or on some sort of gross income rather than on net wages or salary.

Mr. Benidickson: No, only if the property is producing income that is taxable.

Mr. Knowles: Well, most human beings come into the clutches of the income tax department only if they are producing income that is taxable.

Mr. Trainor: They have to be in good health to produce that income too.

Mr. Knowles: I thank the hon. member for Winnipeg South (Mr. Trainor) for that interjection. If I can get back to the train of thought I was developing, I want to say that it does seem to me that elementary fairness and the concern which has been expressed by persons such as the Minister of National Health and Welfare for the health of our people call for the kind of treatment of medical expenses envisaged in the resolution now before the house.

I have already pointed out, in addition to the basic argument I make on the question of fairness, that the definition of medical expenses as we now have it is not all-inclusive. I admit the administrative difficulties of including everything, but since you cannot include all kinds of expenses I think that those that you can handle administratively, such as bills from doctors, hospitals and so on, should be allowed right from the first dollar. I point out, as I have on previous occasions, that there are people who have to use some of these expensive drugs and people who have to use others that are not too expensive, such as insulin and so on, and that they find that what they thought was a provision that was helpful to them does not really help them at all.

It is only two or three years ago that some of these drugs were included in the list of deductible expenses. Many people who have to use these expensive drugs find that they make quite a hole in their incomes and yet at the end of the year they have not enough to get over the 3 per cent floor. If they do get over, they are only a little way over and there is no real help provided.

I think it is socially desirable to move in this direction. This is not at all a substitute for the advance the minister and I were talking about a moment ago which, I was glad to see, he mentioned in his speech at Carleton Place on Saturday, a program of national health insurance, but the very fact that the