

Income Tax Act

this to raise some more revenue there might be some sense to it; but it is absolutely ridiculous for the minister to say that it is all right to deduct your hospital bills if you pay a premium to the Metropolitan Life Insurance Company but it is wrong to deduct them if you pay a premium to the Ontario hospital insurance plan. This is plain discrimination in favour of the private insurer as against the public insurer and the minister knows it perfectly well. He has never attempted to reply to that argument although I have made it four times. I think it should be made once again. The government is doing this because it wants to raise a little extra money and for no other reason.

Mr. Fleming (Eglinton): That is utterly untrue.

Mr. Pickersgill: This phony and hypocritical explanation has nothing to do with the withdrawal of the concession.

Mr. H. J. Robichaud (Gloucester): It is not my intention to participate in the show we just had from the Minister of Finance (Mr. Fleming), but I want to make it clear again that I did object to this clause which is being discussed. I objected to it at the resolution stage of the bill and I objected again after second reading when it came before the committee last evening. I wish to repeat that the exclusion of medical expenses for income tax purposes is not a fair deal to the taxpayers of the province of New Brunswick. It will cost us more after July 1, when the hospital insurance plan comes into effect in the province. It is true that the federal government will pay 50 per cent of the total cost of the province. The total cost will amount to approximately \$18 million, but only \$8,500,000 or \$9 million will be paid in full by the premiums of the taxpayers of the province of New Brunswick. I still insist that if the minister wants to be logical, 50 per cent of the medical expenses over and above 3 per cent of the taxable income of the residents of the province of New Brunswick should be deductible for income tax purposes.

Mr. Arnold Peters (Timiskaming): I also did not intend to participate in this debate until the Minister of Finance (Mr. Fleming) got into it. What we have seen today is probably an indication of the way in which the minister hires somebody to harmonize him one step further. We saw him getting theatrical instructions today. I would suggest that it was something like what we saw out in front of the building the other day. Probably he should be standing on that. He speaks of equality. There certainly is equality in so far as private plans are concerned. You get equality on additional payments

made to a private scheme, whether it be a pension fund or an amount paid to an insurance company, to the Blue Cross or whatever else there is. There is equality there, but there is inequality for those who make contributions in the regular way to the government.

The minister referred to some of the reasons why we did not object to this last night. I can speak only for myself. I would like to inform the minister that there was a committee meeting last night, which was a very important one, and I had to attend. It is not at all fair to say that we just thought of this today. We have an opportunity now to vote to indicate whether we are in favour of this unequal method of income tax deduction or the equal method. To vote in support of this amendment will indicate much more equality than the minister is giving the taxpayers of Canada.

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, before the vote is taken I wish to say a word or two. I recognized this difficulty at the time we were debating the resolution which was proposed on budget night. My point is that subsequent changes giving taxpayers advantages by way of inclusion in their over-all expenses of some other things such as the minister has introduced in this budget are a complete camouflage if he wipes out the basic cost which in most provinces is the cost of hospitalization. I said that last night and I said it on the resolution stage. I was surprised that there was very little support from the C.C.F. group yesterday on this point.

Mr. Argue: That is not true.

Mr. Benidickson: It was not referred to. The point I want to make is that there is no substance to this section in the act henceforth if you remove from entitlement to exemption the natural, normal cost of substance, which is hospitalization. I am going to vote for the amendment.

The house divided on the amendment (Mr. Martin, Timmins) which was negated on the following division:

YEAS

Messrs:

Argue	Denis
Badanal	Dumas
Batten	Eudes
Benidickson	Fisher
Boulanger	Garland
Bourget	Godin
Bourque	Granger
Brassard (Lapointe)	Hardie
Cardin	Hellyer
Caron	Herridge
Carter	McIlraith
Chevrier	McMillan
Crestohl	McWilliam