

*Income Tax Act*

**Mr. Fairey:** I certainly do not agree with the hon. member. I think the amount placed in the estimates by the province of British Columbia is based upon the cost of the hospitalization, not the sum total of the premiums paid by the individual citizens.

**Mr. Cameron (Nanaimo):** It is the same basis upon which the premiums were estimated under the earlier scheme. The idea was to provide sufficient funds to pay for the hospitalization. I do not know whether it would be possible actuarially to estimate the amount paid on behalf of each citizen of British Columbia, but I do suggest that there are enough provincial schemes, one in particular, in Canada now in effect to enable the federal government to estimate with fair accuracy the amount that has to be paid on behalf of each citizen for hospitalization. Therefore the point the hon. member was bringing up in objecting to the scheme could well be covered by including in the legislation authority to make allowance in the case of residents of British Columbia of an amount equivalent to what would be paid under the hospitalization scheme operated under the premiums.

There is another point which was raised by the hon. member for Victoria (B.C.) which I think should be dealt with. He suggested that rather than proceeding with the scheme as outlined in this resolution and the amendment we would be better advised to urge on the Minister of Finance a lowering of the present floor for medical expenses to be deducted for the purposes of income tax. I am sure that is a most sensible suggestion. The hon. member almost indicated that if we just agitated a little more the soft heart of the Minister of Finance would be effected to such a degree that he would agree to this.

That is a very sound idea, but the curious thing is that no longer ago than January 30 of this year the hon. member for Victoria (B.C.) had an opportunity to urge in a very effective way precisely that course on the Minister of Finance, when this house voted on a resolution introduced by the hon. member for Winnipeg North Centre that would have had precisely that effect.

**Mr. Fairey:** Was not that resolution to eliminate the 3 per cent entirely?

**Mr. Cameron (Nanaimo):** Yes. On page 682 of *Hansard* of January 30 we find that a vote was taken and I find included among the names recorded under "nays" the name of the hon. member for Victoria (B.C.). I suggest that it is not good enough for government members to imply that they are in favour of a course of action which their vote in this house does not fulfil. If they believe this should be

[Mr. Cameron (Nanaimo).]

done, why do they not take advantage of the opportunities that are presented to them on the floor of this house. I would like to know how the hon. member for Victoria (B.C.) would be able to tell the citizens of Victoria that he is in favour of this elimination of the 3 per cent floor, when he has not—

**Mr. Fairey:** I did not say that. I deny that I said that at all.

**Mr. Cameron (Nanaimo):** My hon. friend has suggested that what the hon. member for Victoria (B.C.) said was that it should be whittled away. Of course it depends on how big a slice we are going to take with the whittle. We have decided to whittle the whole thing away. It might be possible yet for us to meet the requirements of the hon. member for Victoria (B.C.) and suggest a whittling resolution, and see whether his resolution would be strong enough to enable him to vote for it.

**Mr. Deputy Speaker:** Is the house ready for the question?

**Hon. W. E. Harris (Minister of Finance):** Mr. Speaker, I appreciate the comments that have been made during the course of this debate, and perhaps I could pay attention to the last one first. The Minister of Finance does receive throughout the year many representations about the manner in which he may collect and disburse the moneys in the public treasury. One of the most frequent that are placed before him is in the matter of deductions from income tax. Everyone seems to think we can make a special rule for a special group of people, instead of taking what I think the other side ought to be, namely that if you are able to reduce taxes you reduce them for everybody, and then the special reason is taken care of in doing that.

If I do not make myself clear, I would repeat that last year we did reduce taxes. We reduced taxes very considerably in the budget of 1955. Yet my hon. friends present motions intended to reduce further the income of the treasury because a particular group of people should have consideration of a particular kind. As a general principle I think the latter is wrong.

I admit that there are reasons why exceptions should be made, and we do in fact make the exception with respect to medical expenses over 3 per cent. But in principle I think most hon. members ought to agree with me that it would be better to have a general tax system in which there would be gradations of tax, of course, but that any changes in the tax system ought to be of a general rather than of a particular nature. In this specific instance—