

*Income Tax Act*

expenses the premiums paid by him for insurance against sickness or accident or both. The third proposition is that the taxpayer be allowed to deduct as medical expenses the specific provincial tax paid by him under any provincial scheme of health insurance.

I think it is quite clear that the wording of the resolution would put the taxpayer in the position that he could have one of those choices, but not any two of them and certainly not the three of them. The result would be that if a taxpayer were to choose the first option, namely, the deduction of his medical expenses as now determined, he would not get the other privileges which the hon. member for Winnipeg South wants the taxpayer to have.

I say quite definitely that I do not think there is any argument between the hon. member and myself as to what he wants, but I do feel that I can render him a service by moving an amendment to his motion which will have the effect of making it more clear and which I think will have the effect of setting out actually what he wants.

Before I move the amendment which I have on my desk may I point out another difficulty that faces us when we look at the wording of the motion. I emphasize that the difficulty arises from the wording of the motion, not from the hon. member's speech or from what it is he really wants. The effect of the motion as it now stands would seem to put hon. members in the position of approving of the present provision, of approving of the plan for the deduction of medical expenses as now determined. Most of us on this side have indicated already our disapproval of the present plan, particularly with respect to the 3 per cent floor. We are not satisfied with the deduction of medical expenses as now determined; we want that changed. All of us on the opposition side of the house voted for such a change on January 30 and it would be difficult for us to vote today for a motion that seems to confirm the deduction of medical expenses as now determined as a satisfactory arrangement.

**Mr. Trainor:** I voted for your resolution.

**Mr. Knowles:** That is exactly my point. I appreciate the fact that my hon. friend and his colleagues voted for my resolution on January 30. For him or his colleagues to vote approval of this resolution seems to me to be inconsistent with our demands on this side of the house that the 3 per cent floor be removed.

**Mr. Macdonnell:** Would it not be clearer to call it acquiescence rather than approval?

[Mr. Knowles.]

**Mr. Trainor:** The words could be "that may be determined" if that would make any difference.

**Mr. Knowles:** I will come to the suggested amendment in a moment or two. Another difficulty I see with the motion in the way it is worded is that it seems to me that it does not offer a real option to the taxpayer. In most instances the medical expenses which a taxpayer would have would be more than the amount of premiums that he would pay into one of these plans. If you are in effect simply giving the taxpayer one or another of these three options, you are simply giving him what he now is entitled to or something less. It seems to me that that is hardly a worthwhile proposition.

I say to my hon. friend, and I must commend his patience in listening to my criticism of his resolution, that all my criticism is directed at his resolution and not at his speech or at what I believe to be his intention. I feel that what the hon. member wants, and in that we support him, is that the act be amended to make it clear that when a taxpayer is adding up his medical expenses he be permitted to include as medical expenses any amount he had paid during that year in premiums for sickness or accident insurance, either under a private plan or under a provincial plan.

We must not forget that at the present time, if a person is in one of these plans, whether it be a plan such as those in Saskatchewan, Alberta or British Columbia, or whether it be a Blue Cross plan in one of the other provinces, he is not entitled to deduct the premiums he pays. But in any year in which such a member of one of these plans is hospitalized, or has a bill paid for him in any other way, the amount of that bill which is paid for him out of that plan is allowed as a medical expense.

We do not want to lose that. But my hon. friend, though he stated it in his speech, does not make that clear in the wording of his resolution, and the fact that it is not clear would seem to me to raise a serious question. I think what he wants and what most of us feel we should have is that in any year when a person goes to hospital the present arrangement should stand, that the amount paid for him out of the plan be allowed as a deductible medical expense; but in those years when a person is not hospitalized he be allowed to enter as a medical expense the amount of the premium that he actually pays.

From what I heard my hon. friend say, that is what he wishes. I think this wording would make it clear. Therefore, seconded by