

Income Tax Act

Mr. Mahoney: No, Mr. Chairman. I was not questioning the motivation of people going into nursing homes. I was pointing out that the conditions under which they go into them, from a personal point of view, can be vastly different. Some nursing homes are tantamount to private hospitals. Others are very fine accommodation indeed, but do not render medical care or treatment of any description. In many instances, a general allowance of payments to nursing homes would result in taxpayers being allowed to deduct what are essentially personal living expenses. This would be inequitable as far as the vast body of taxpayers is concerned.

Mr. Rynard: As far as I know, and I know the Minister of Finance will correct me on this if I am wrong, in Ontario it is necessary to obtain a doctor's signature to get into these homes. They are all licensed.

Mr. Benson: I believe in most cases they are licensed.

Mr. Rose: Mr. Chairman, ordinarily I would be delighted to respond to the suggestion of the parliamentary secretary that he be denied my oratorical skills on the ground that some of the things I am about to say have been covered, at least in part by other speakers. From my experience, I feel that repetition in this House is not unique and that I must move ahead. Therefore, I cannot stand pat.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

• (5:20 p.m.)

Mr. Rose: I say that with the utmost charity.

Mr. Chairman, I understand that although today we are discussing section 109, section 110 is also fair game, although it was not yesterday. I am glad this has been ironed out. I am concerned about the 3 per cent rule, the situation in which medical expenses for a variety of the things the parliamentary secretary has mentioned in response to other members' speeches are covered or allowed as deductions. We should examine what this means. It means that a person earning \$5,000 can deduct expenses in excess of \$150. That is the way I read it; if I am wrong I would be pleased if the minister would correct me. I suppose one might describe \$5,000 as an average sort of income and depending upon other circumstances the allowance might, or might not, be of great benefit, because a taxpayer would still have to pay the first \$150. Those who earn a great deal more money are entitled to be sicker, or at least, deduct a larger amount for medical expenses.

I should like to draw attention to cases which have arisen in my own constituency and which have been brought to my notice. I have been in touch with the department about some of them. I was pleased to hear the parliamentary secretary indicate that transportation expenses would be considered tax deductible if associated with an illness. Perhaps, I did not clearly understand him correctly.

Mr. Mahoney: No, Mr. Chairman, the hon. member did not hear me correctly, I am afraid. The bill proposes no change in the situation as far as that is concerned.

Mr. Rose: I am sorry to hear that. In my view it should. A difficult situation is created for many people who are affected directly, or whose families are affected, particularly when regular treatment for certain ailments is required. I recall a situation where a businessman in the community which I have the honour to represent is obliged to put about 20,000 miles on his car each year to take his wife to a large centre where she can receive treatment for a kidney ailment requiring the use of a special machine. At 10 cents a mile, this adds up to \$2,000. The man has no choice. If he does not follow this routine, his wife will die. He is allowed a deduction amounting to \$150, yet he must face this fantastic burden of transportation costs. Situations of this kind should be investigated.

What is happening is this: the purpose of the medicare legislation, which has been applauded on all sides of the House, is being defeated. I know the minister must be tired of hearing about these special cases and I realize it is difficult to design legislation which will cover all eventualities. In spite of what some people say, I do not believe he is a hard-hearted individual. His own doctor has suggested he should go to Florida. While this is a wonderful idea, I would not argue that he should be allowed to deduct the cost of such a trip from his income tax. But I have made my point, and I do not wish to be facetious about it. By the way I might add, before I leave this case, that the constituent I have mentioned was invited to talk this matter over with the regional director. They had a nice chat but it did not mean a thing. He still faces the same high travel expenses.

Case No. 2 is another difficult situation involving a child requiring special training and care—a little girl suffering from spinal meningitis. The family is doing its best but is bearing a tremendous burden since school and training facilities suitable for this child are remotely situated. In a case like this, a maximum allowance of 3 per cent is not enough. If the child had only been sensible enough to have contracted a different kind of illness, things would have been fine. But this did not happen. It was not the luck of the draw.

The next point to which I should like to draw attention concerns the cost of necessary prescription drugs to older citizens. Many of these older people are obliged to live on meagre incomes. The party to which I belong has discussed this issue many times and our position in regard to it is well known. On occasions, the cost of prescription drugs runs as high as \$90 or \$100 a month. Three per cent of \$3,000 amounts to \$90 a year, which is no exemption, really. Something should be done about this; most of the people about whom I am concerned in this context have incomes which would fall close to the figure I have mentioned.

Reading the bill we find that in section 110 (1) there are some 14 places in which the need for such things as wheelchairs, special appliances, trusses, limbs, glass eyes and so on is recognized. But the legislation does this only in a tokenistic way. Members of Parliament should be well aware that there is no magic attached to the 3 per cent figure. It has not always been 3 per cent. Once it was 4 per cent.

An hon. Member: No.