

Income Tax Act

to a resolution that was considered previously by the house and rejected. I do not wish to refer to that resolution other than to point out to hon. members of the C.C.F. group especially that the two resolutions are by no means mutually exclusive. I am glad to say I was able to vote for that resolution with a clear conscience and I intend to support this one as well. I would solicit the support of all members of the house for the subject matter of this resolution because I consider that it is logical and sensible and will certainly be very much appreciated by the taxpayers of the country.

Mr. Elmore Philpott (Vancouver South): Mr. Speaker, I am rising to oppose the motion of the hon. member for Winnipeg South (Mr. Trainor). It does not seem to me that it is out of order in any way despite the fact that we have already dealt with a resolution along somewhat the same lines at this session, as the hon. member has just pointed out. However, it seems to me there are many weaknesses in logic in the proposals contained in this particular motion.

The motion reads as follows:

That, in the opinion of this house, the government should give consideration to the advisability of amending the Income Tax Act so as to provide that the taxpayer shall at his option be entitled to deduct from his taxable income either (a) his medical expenses as now determined; (b) the premiums paid by him for insurance against sickness or accident or both; (c) the specific provincial tax paid by him under any provincial scheme of health insurance.

It seems to me that there is a grave weakness in the equation which the hon. member for Winnipeg South (Mr. Trainor) sets up. He suggests that there is some equality or some balance as between the three things which he is suggesting as possible deductions. May I point out to the hon. member and to hon. members of the house that there are very strict limitations on any deductions that one may claim as of now. In other words, the limit is strictly to a certain percentage of your total income and you are not allowed to make any deduction unless it exceeds that point.

It is when he gets over into the field of suggesting that there should be deductible from income the premiums paid for insurance against sickness or accident or both that I for one cannot see much more sense in that than to suggest that we should be allowed to deduct the premium we pay for collision insurance on our automobiles from income. It does not seem to me to have much more relationship.

Surely the most unwise suggestion of the three is the third where the hon. member suggests that the specific provincial tax paid

under any provincial scheme of health insurance should be deductible for the purpose of federal income tax. Surely if we stop to contemplate what is really suggested there we must realize that it is simply a disguised suggestion for transferring from the provincial to the federal authorities the responsibility for carrying on the hospital insurance schemes of this country. As we all know very well, there has recently been made, and we have already had a broad outline of it in the press, a suggestion for a nation-wide insurance scheme under certain conditions, but the suggestion of the hon. member for Winnipeg South would preclude and completely undercut the basis which has been suggested for the federal-provincial national health insurance scheme.

I do not think that anything has ever been suggested at any federal-provincial conference for the revision of the tax basis as between the two authorities which is so unwise or so unsound as the suggestions proposed in this motion by the hon. member for Winnipeg South. It does seem to me that this motion is completely unwarranted. The only good thing about it I think is that it merely suggests that medical expenses which are deductible now should be permitted as a deduction, but as against that it sets out other possible deductions which are not only out of balance in themselves but which would be very much against the national interest.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I feel that the intention of the hon. member for Winnipeg South (Mr. Trainor) in moving this resolution is one that should be supported. I think he stated that intention quite clearly in the remarks he made when presenting the resolution to the house. However, I must say in a kindly way, as used to be said by a former minister on the other side of the house, that I doubt whether the resolution as worded carries out the intention of the hon. member.

The hon. member says that he wants it to be possible for a taxpayer to be able to include in his deductible medical expenses any premiums he pays on sickness or accident insurance. With that desire I agree, but I ask him to follow me closely when I point out that his resolution as it is worded does not say that. His resolution does not ask that a taxpayer be allowed to include these premiums in his deductible medical expenses, but rather his resolution asks that the taxpayer be given any one of three alternatives.

The three alternatives suggested in the resolution are, first, that the taxpayer be allowed to deduct medical expenses as now determined. The second proposition is that the taxpayer be allowed to deduct as medical