

Private Members' Business

help living, breathing human beings who need help most in our communities today.

In the spirit of the words once spoken by the Right Hon. W.E. Gladstone I would affirm: "Show me the manner in which a nation cares for its elderly and I will measure with mathematical exactness the tender sympathies of its people, their respect for the laws of the land and their loyalties to high ideals".

[Translation]

Mr. Maurice Dumas (Argenteuil—Papineau, BQ): Mr. Speaker, if adopted, Bill C-282 would amend the Income Tax Act to remove, for taxpayers aged 65 and over and eligible to claim the disability credit, the requirement that only expenditures on goods and services required for medical reasons in excess of the lesser of 3 per cent of net income or \$1614 may be used in calculating the medical expenses tax credit.

We in the Bloc Québécois support this proposal, since all medical expenses would be fully deductible from the income of disabled seniors. This change in the system would be made by changing the definition of formula symbol "C" in subsection 118.2(1) of the Income Tax Act.

Disabled seniors have substantial medical expenses that are often higher than those of other tax filers. The 1993 national advisory council on seniors sketched the following picture of the health of seniors in Canada: About 80 per cent of seniors aged 65 and over said they were suffering from one or several chronic conditions, while only 20 per cent said their activities were restricted to the point where they required assistance in getting on with their daily lives—this according to statistics compiled in 1991.

It is clear that limited deductibility represents an enormous expense for disabled seniors, considering their many medical expenses and low incomes. These people pay taxes on amounts that may represent up to 3 per cent of their income, which is not in accordance with currently recognized tax principles.

The proposed amendment would only provide tax relief in terms of expenses actually incurred. It would not change the provisions on production of receipts, which are already included in the Income Tax Act. The 1993 national advisory council on seniors also described the health problems of seniors, saying that seniors aged 65 and over were twice as likely as the rest of the population to report respiratory problems, arthritis and hypertension, and three times as likely to report cardiovascular problems.

Among seniors, the percentage of mentally or physically disabled in 1987 was 47 per cent for women and 44 per cent for men. These ratios, together with the rate of multiple disabilities, tend to increase with age. During the 1991 tax year, the latest

year for which data are available, 153,490 tax filers aged 65 and over claimed the disability credit.

• (1940)

Of this number, 91,050 had taxable income. This is the group for which the proposed amendment could represent an additional cost to the federal tax system. Of the 153,490 filers, 18,380 claimed medical expenses greater than the deduction limit.

Basically, if the amendment were passed, all these taxpayers could see their medical expense credit increase by three per cent of their net income, that is to say by the amount they used to have to subtract on their return.

On the other hand, this amendment affects a larger group: taxpayers with medical expenses lower than the deduction limit, often under \$200, who would also be claiming the medical expense tax credit.

The approximate figure of 91,050 disabled senior citizens with a taxable income is indicative of the potential number of claimants. If you subtract those who are already claiming the medical expense credit, the total number of persons affected is 80,000.

Combined tax expenditures in terms of basic federal income tax on both groups, the old and new medical expense credit claimants, for 1991 are about \$2.6 million, without the federal surtax which, if it were added on, would bring the grand total to about \$2.7 million. This amendment to the Income Tax Act is needed to improve the quality of life for handicapped seniors.

A Canadian Press article published in the January 26 edition of *Le Droit* quotes a just released study by the national advisory council on aging as saying that Quebec seniors are the poorest in Canada and that Quebec holds the dubious record of the highest poverty rate among people aged 65 and over in Canada. According to the council, despite some improvement in their economic situation, many seniors, especially those living alone, live in poverty. The council also found that women aged 65 and over have less money than their male counterparts, a gap which increases after 75.

Old age security is still the main source of income for seniors, especially women. People aged 65 and over get over 50 per cent of their income from government programs.

The study shows that in 1992, the percentage of people making less than \$15,000 increased with age, especially among women.

A Canadian Press article published in the January 21, 1995 edition of *Le Droit* stated that middle-class workers would not be able to spend their old age in comfort and that, according to the Canadian institute of actuaries, taxing RRSPs would have disastrous consequences. The institute feels that this measure would lower the savings rate in Canada and increase public