

Income Tax Act

this young man is not in the \$2,400 a year category, but I might point out that he does not make over \$10,000. By the time he pays these medical expenses and his income tax he goes down a long way in the income scale. He loses on the floor and also loses on the ceiling.

A short time ago I had a communication from a retired gentleman with a modest income. He has been ill now for some time and it is necessary for him to have a full-time attendant in his home to look after him. He was unable to afford a registered nurse, but he was successful in obtaining the services of a practical nurse. However, even that is quite costly, and when added to that we take the cost of drugs and doctors' bills it will be seen that he has run up quite a considerable amount in medical expenses. He is a single man and the maximum allowance he can claim is \$1,000. He is not making very much money.

Mr. Knowles: \$1,500.

Mrs. Fairclough: Even so, the amount he has expended over the last couple of years is much in excess of that. He loses the expenditures over \$1,500, and he also loses the floor of 3 per cent of his income. He likewise loses both on the floor and on the ceiling.

It will be surprising to me if in speaking to this resolution, the minister or someone speaking on his behalf, does not refer to what this will cost. We have had various figures given to us before in this regard. I have taken the budget papers for 1954-55 and from them obtained the amount of personal income for 1953. I presume it is higher now. However, if everyone who pays taxes and everyone earning the income reported in the budget papers were to claim medical expenses, and if they all claimed the full amount of the floor, the total amount it would cost the government if my calculations are correct would be three-quarters of 1 per cent of the total government revenue.

An hon. Member: How many million?

Mrs. Fairclough: I have taken 3 per cent of the \$1,287 million shown on the table and that amounts to \$38,610,000. However, in my estimation it is not a matter of how much it costs. It is a question of whether it is right or wrong. In my view it is right that these deductions should be permitted for the reasons I have stated, for reasons I have given in this house on former occasions, and more particularly because in my opinion in the event of illness the amount of extra expense the taxpayer must meet over and

[Mrs. Fairclough.]

above his ordinary living expenses is sufficiently high that he should be given the benefit of the full amount of money he has spent in medical expenses.

The Acting Speaker (Mr. Applewhaite): Is the house ready for the question?

Mr. Angus MacInnis (Vancouver-Kingsway): Mr. Speaker, before the question is put I would like to say a few words in support of the motion submitted by the hon. member for Winnipeg North Centre (Mr. Knowles). As far as expenses associated with sickness are concerned I can, unfortunately, speak with firsthand knowledge, because I have had to meet such expenses during the last few years.

Despite the fact that every family must consider a certain amount of illness as normal and meet the resulting medical expenses, it should be remembered that the cost of medical treatment in the past few years has risen so much that even a minor illness, if it means a person is taken to hospital for a few months and must have specialized treatment, can run up to a very large amount in a short period of time.

I am talking as one who does not complain in this house about taxation. I doubt if I have ever spoken against the incidence of taxation in general, though I might have advocated higher exemptions for those in the lower income brackets. Though taxes have been heavy since the beginning of world war II I have not complained, and in truth I do not believe we have been overtaxed. I shall give my reasons for saying that in a moment.

I have said it outside of this house and I might as well repeat it on the floor of the house. I believe this country has been fortunate during the past few years in having a government that was not afraid to tax. If we want to see what happens when a government has not the courage to tax or where the people do not want to be taxed, we can see it quite clearly today in France. The situation that exists there is largely one growing out of the fear of taxes and the lack of courage to tax. The result is going to be that the country will be brought down in ruin; either that, or there will be brought into power some government that will have far less regard for constitutional procedure than the government that is now in office. Some time the government will fall, and it will have fallen for the last time unless they are prepared to do something about it.

When I say that taxes are not too high, I mean as they apply to those in the higher income bracket. By no consent of mine I have been put in that higher income bracket.