

special nursing care. The patient may still have to pay the cost of three nurses, and the food bill in that home goes up greatly; but that extra cost cannot be claimed as a deduction. When a patient is in a home extra help is often required apart from the nursing help. This is particularly true if it is the homemaker who is ill. It is certainly true whether the mother is in the home or in a hospital.

I feel as I have always felt, that the taxpayer should be permitted to deduct the full amount of medical expenses which can be substantiated by receipts, regardless of what they may be. There is so much expense attendant on illness which you cannot substantiate under any circumstances and accordingly deduct as a medical expense.

There is another aspect of this about which I have spoken before and which I should like to mention again. When there are heavy medical expenses attendant on a major illness the taxpayer very often does not claim everything in one year; he may spread it over two, three or four years, depending upon his income and the size of the bill with which he has been presented. But each year when he claims an exemption he loses the first 3 per cent. It is not a case of losing 3 per cent of the total amount of the bill in one year, it is a case of losing 3 per cent of his income each year in the process of making a deduction of medical expenses. In the case of a taxpayer with an income of \$3,000 he would lose \$90 of his deduction each year in which he was paying his medical expenses, regardless of the fact that those expenses might be due to one major illness with large attendant bills.

Then further I submit that a taxpayer who is big-hearted enough to assist the more unfortunate members of his family when they are ill should be permitted to deduct from his taxable income such payments as he may make on their behalf, even though they are not entirely dependent upon him. I know people who have been in the habit of paying hospital and medical expenses for relatives who are not dependent upon them, and who if they did not so contribute would certainly not have the care that should be given. If a person is sufficiently big-hearted to undertake some portion of the medical expenses of a relative I do not think he should be penalized when he comes to pay his taxes. As has been stated before, if he paid a similar amount to a charitable institution he would be permitted to deduct it from his taxable income, but if he pays a hospital bill for a relative he cannot deduct it.

**Mr. Benidickson:** If that relative is not a dependent.

**Mrs. Fairclough:** Surely charity begins at home. Many of us have been brought up on certain old sayings. We were taught in our youth that charity begins at home, that blood is thicker than water; but when it comes to taxes apparently that is not true in the tax department.

**Mr. McCann:** That is not charity, that is benevolence.

**Mrs. Fairclough:** I am sure it would be interesting if the Minister of National Revenue would enlighten this house at some time as to the fine distinction between charity and benevolence.

**Mr. Rowe:** Would you call it benevolent charity?

**Mrs. Fairclough:** Whatever it is, the relative might very well be exempted. If he thought of it he might gain some advantage by making a sizeable donation to a hospital and forget about the relative who was dependent upon him.

**Mr. Rowe:** He might be benevolent to a municipality.

**Mrs. Fairclough:** I would like to give one or two instances to illustrate the manner in which some of our taxpayers are deprived of the deductions which are rightfully theirs. I should state at the outset that in giving these illustrations I am not making a plea for the abolition of the ceiling. That, in my estimation, is another matter. But it just so happens that these illustrations have to deal with the ceiling as well as with the floor.

I am acquainted with a young couple who have a child who has required special treatment for a good many years. This treatment is obtainable only in an institution, and that kind of institution happens to be rather high priced. They have two children, and he is permitted an exemption of \$2,000 because of his marital status and \$500 for each child, which gives him a ceiling of \$3,000. During the past eight or nine years, to my certain knowledge, he has expended anywhere from \$3,300 to \$3,800 per year for the care of this child. He has also had normal medical expenses with the other child and his wife. His medical expenses therefore have run to very close to \$4,000 a year.

It is only in the last couple of years that he has had the \$3,000 maximum. Before that period the deduction permitted was lower. That young man has lost the deduction in excess of \$3,000 each year, as he lost in excess of the former amount, the exact figure for which I have forgotten, though I believe it was \$1,500 and \$300 for each child. He also loses the exemption on the floor. Hon. members will probably suspect that