

*Income Tax Act*

then the principle is drained completely from the resolution. Fortunately for the hon. member for Winnipeg South, the hon. member for Winnipeg North Centre presented an amendment which does to some extent get around this defect, and it was accepted by the mover. He said you may include in your deductible medical expenses either any amounts billed and paid under a contributory insurance or hospitalization plan, as is now provided, or—and again this is an option—the taxpayer may take any premium or tax paid by him for insurance against sickness or accident under any plan of health insurance.

Clause (b) is most interesting. Presumably the resolution is an effort to assist the small wage earner. Under clause (b) you may take any premium paid for insurance against sickness or accident. This has been mentioned by previous speakers, but I should like to emphasize it. This would, of course, introduce a great inequity into the scheme because the number of policies for sickness and accident are legion. If you can afford it, you can insure yourself for any length of time against almost any type of sickness. Naturally if you were going to be allowed to deduct from your taxable income premiums paid for the most expensive type of sickness or accident insurance, then this would be an excellent way, under the proposed resolution, to gain the effect of health coverage completely at the expense of income tax, and of course not provide any particular benefit at all to the lower income groups.

I emphasize "the lower income groups" because the hon. member who moved it mentioned in the first instance that this resolution would be most important to the small taxpayer. Therefore I would suggest that in clause (b) of the amendment you have a great drawback in the wording of the resolution, and no doubt if this ever reached the point of the introduction of a bill some such limit could be introduced, or would be introduced, I imagine, to protect the taxpayer and the government against what is to me an obvious problem in the resolution as drawn.

I suggest that the resolution is too wide and too broad in its scope. If it were to be of any use at all, certainly it would have to be gone over with great care to take into account what limits one should put on the deduction concerned.

What about the resolution in the light of our pending health insurance scheme? This subject has also been dealt with in this debate. I think you can accomplish the same purpose the resolution tries to accomplish by providing a health insurance scheme on as cheap a basis as possible. In other words,

instead of providing what must be a rather complicated method, a complicated set of regulations, for the deduction of certain allowances, why not say to yourself: Well, we are in a position to save the taxpayer some money. We would like to pass on the saving in as fair and equitable a way as possible. We are contemplating the institution of a national health insurance scheme. The best way to pass on the saving is to cut down the cost of the scheme. Then everybody, regardless of their position, gets a fair share of whatever saving or whatever possible tax reduction you can achieve.

To my mind the prospect of such a health insurance scheme takes away any real necessity for a resolution of this kind at this time. If you did it in that way, naturally you would be able to pass on the saving. You would achieve the same result with less work, less administration cost and less of the bureaucracy that my hon. friends in the official opposition are averse to increasing. In my opinion this would certainly achieve a better result on the whole for the lower income group.

**Mr. Knowles:** Will the hon. member permit a question?

**Mr. Enfield:** Yes.

**Mr. Knowles:** He is aware of the fact that the plan proposed by the federal government covers only hospitalization. This resolution discusses medical expenses generally. Would he implement the principle he is now advocating by having the government plan include medical expenses as well as hospital expenses?

**Mr. Enfield:** I really do not see that it would make that much difference, because whatever saving you pass along on any type of hospital insurance scheme would be money in the pocket of the taxpayer. Whether the actual scheme itself covers the whole gamut of health insurance and health facilities would not, it seems to me, make a great deal of difference.

For example, you could take the argument a step further and say that we might have a health insurance scheme to cover hospitalization, diagnostic services and medical services, the three things. You could argue whether the same principle would not apply if the health insurance scheme were carried further and covered other aspects of health problems such as loss of income during a period when one is ill.

**Mr. Knowles:** You are coming along.

**Mr. Enfield:** Well, we all hope that this scheme, if we get one, and we hope we will,