

*Income Tax Act*

**Mr. Harris:** It was not unhappy on our side. I have a clear recollection that the parliamentary assistant to the then minister of finance stated that because the motion asked the government to give consideration, the government would in fact do so. I have a clear recollection in the following session, or even later in that session, of being told by the opposition that parliament had decided this particular matter ought to be done.

**Mr. Trainor:** Did you believe that?

**Mr. Harris:** I did not believe it, but I think it is unworthy of opposition members to suggest it under the conditions under which the motion was allowed to pass.

**Mr. Trainor:** Why worry about it if you do not believe it?

**Mr. Harris:** I have not many worries about the opposition generally, but I have some worries about my position as Minister of Finance, sir. So long as we are placed in that position we are bound to consider what we ought to do when a motion of this kind is presented. If we reject the motion it would not indicate that the Minister of Finance or anyone in this house, did not consider this was worthy of consideration. Every form of relief for the taxpayers of Canada is a matter for consideration, and should be on all occasions.

On the other hand it would be unwise to draw any conclusion from a motion which was adopted that the government felt it ought to follow that particular motion immediately, or even in the distant future. For that reason, sir, and particularly because at the moment we have under consideration a health or hospitalization scheme, which as I have said before is going to be most costly to the federal treasury, it seems to me that all matters having to do with medical expenses and income tax in connection therewith should not be decided affirmatively.

For that reason, sir, I am going to suggest that while I intend to vote against this motion, it is only because of what has already occurred and of which I have given an example, and it does not indicate that we are not giving careful consideration to all matters which affect the taxpayer, especially those who are obliged to spend considerable sums of money with respect to medical expenses.

**Mr. F. A. Enfield (York-Scarborough):** Mr. Speaker, hon. members will forgive me if I am a little repetitious in my remarks. At this stage of the debate one is bound to repeat arguments that have been so ably made already by hon. members who have

spoken. However, I do want to say a few things about the resolution. I think the mover, the hon. member for Winnipeg South, is to be congratulated on his thought-provoking resolution. Certainly the discussion that has taken place has been to me at any rate most valuable, though I do not think I can agree with the premise, or the principle, on which the hon. member acts.

What is the principle behind his resolution? Well, he said the principle was that the individual be allowed to include in his tax deductions all prepayments for medical expenses. He said the taxpayer could now include medical expenses up to a certain point, but not any prepayment. He pointed out that he thought this would be important to the small taxpayer particularly.

I think he more or less presupposes that we are all in agreement with the real underlying principle of a resolution of this kind. The underlying principle is that there should be a reduction in taxes. This of course puts the discussion on a much broader basis.

With respect to the hon. member, I would have hoped that when he introduced his resolution he would have given us a better case on which we could base our judgment, first of all as to whether a reduction in taxes was necessary at all at this time, and second, whether this was the best type of reduction to make in the circumstances.

Naturally we would all like to introduce measures that would reduce taxes. It is very nice for the taxpayer, a very popular and very pleasant thing to do. I am sure the government was most happy, when the budget was brought down in March of 1955, to pass on a considerable reduction in taxes to the taxpayer, but it is not always easy to decide on the best method of reduction, and I suggest this resolution does not outline a particularly good method.

First of all, the resolution itself is rather confusing. A little more care could have been taken in its preparation. I again say, with great respect to the hon. member, that clause (a) sets out that he can deduct from his taxable income first of all his medical expenses as now determined. I was completely taken in by this clause when I first read it. I felt that what he wanted there was a deduction of all his medical expenses from taxes. He wanted to take off the 3 per cent limit, which was suggested in a bill brought in by the hon. member for Winnipeg North Centre some time ago.

Apparently that is not so. Clause (a) means that you can deduct medical expenses as they are now determined under present regulations. Of course if you take that option