

*Income War Tax*

## INCOME WAR TAX ACT

7. That taxpayers whose chief business is that of farming shall in respect of the year 1943 and for each year thereafter pay two-thirds of their income tax liability for the current year on or before the 31st day of December and the remaining one-third on the following 31st March.

The CHAIRMAN: There was an amendment moved on Thursday by Mr. Gibson:

That resolution No. 7 of the resolutions to amend the Income War Tax Act be amended by deleting the words "31st March" in the last line thereof and substituting therefor the words "30th of April".

Mr. HANSON (York-Sunbury): No. 4 was amended too?

Mr. ILSLEY: Yes.

Mr. PERLEY: When this resolution was under discussion on Thursday last I had made a number of statements with respect to it and the minister replied, as reported on page 2004 of *Hansard*, as follows:

There is a good deal in that speech to answer, and I think I had better let it stand for the time being because it would be embarrassing to give a wrong ruling on the spot.

The minister has had two or three days now to consider the suggestions I made, and I trust he will now make a statement regarding those two or three suggestions.

I may say also that in speaking on the budget on March 15 I made two or three suggestions which I considered important, with respect to farmers and the income tax. I suggested that farmers be allowed to charge to their costs of production an allowance for the labour of their wife, daughters and younger sons. Since making that suggestion I have had letters from many farmers in western Canada who thought the government should take that suggestion seriously into consideration. One hon. member, when speaking the other night, dwelt on it at some length. I had a few notes on it also on Thursday and intended to enlarge on it, but hon. members may remember that the leader of the opposition just happened to get into the debate when I was not expecting him and he stole a little of my thunder. However, I have just received a letter from a farmer in Saskatchewan who is working sixteen hundred acres of land. He says the wages he will have to pay this summer are in the neighbourhood of \$80 a month and that his wife and daughter will have to do a lot of work this summer that they would not ordinarily have to do. He also complains that

[Mr. Graydon.]

in making up their statements with respect to costs of production farmers are allowed to charge only at the rate of \$15 a month for board for day labour, and that if farm labour is hired for the season I think it is \$18. He complains about this. We know that the cost of living has gone up and that the cost of the things the farmer has to bring into the house to feed his help has increased considerably.

There was a question also with respect to farmers being exempt. I think the hon. member for Battle River enlarged on that the other day. I believe I was the first to bring the matter to the attention of the minister, when I spoke here on March 15. There are so very few farmers who pay income tax; last year some 1,488 out of 750,000 farmers paid income tax, and paying only about \$150,000 altogether. That is something the government should take into consideration. I said that if the government could not see its way to exempt them altogether it should certainly reduce the amount of income before they are taxed. I believe I suggested on Thursday \$2,000.

I also wish to bring up the question of depreciation on farm buildings and machinery. This letter states that this man thinks farmers should be allowed some depreciation on the land. He sets out what it is costing him to keep his land in anywhere near the state of fertility it was in twenty years ago. It deteriorates and if he undertakes to keep the fertility of his land to what it should be it will cost him a good deal in labour.

Mr. ILSLEY: He gets that as a deduction.

Mr. PERLEY: Not the depreciation of the land.

Mr. ILSLEY: It does not make any difference as long as he gets it, it is an expense.

Mr. PERLEY: But this man goes further; he thinks there should be some depreciation allowance from the point of view of assessed value. The suggestion comes in this letter from one of the best farmers in the Indian Head district. This man is working 1,600 acres of land, and this year he will have only himself and one man, and possibly a boy at certain periods of the rush season.

The matter of depreciation of machinery has come up before, I shall not enlarge on it now. But I should like the minister to make a statement now as to what he proposes to do with respect to the suggestions I made on March 15 and on Thursday last that the farmers be allowed to charge wages for wives, daughters and younger sons and with respect to depreciation on buildings and machinery, and whether he cannot consider making a very