

are protected, but actually they have a financial outlay that should be taken into account in connection with any taxing arrangement. It is not possible for the Minister of Finance to keep his finger on all these matters, but in his taxing arrangements, I submit, if they are to be equitable, all these factors that eat into the economic life of the people should be considered.

There is another aspect of the cost of living bonus which is not much discussed but which is important. A man has five or six or seven children going to school. He alone is working to support them. There is one cost of living bonus going into that house. Next door his neighbour may have five or six grown boys and girls, all employed in plants, and five or six cost of living bonuses are going into that house. I suggest that the cost of living bonus arrangement is not equitable. It is not handled fairly.

Mr. MITCHELL: Would the hon. member suggest that when a wage structure is established it should be on the basis of the number of children? He knows the classical answer of the labour people, that you should pay the same wages to the single man because he is saving to get married. If the hon. member carried his suggestion to its logical conclusion he would base wages on the number of dependents and children.

Mr. GILLIS: You cannot give a stock answer in this case. We are discussing a budget, and we are not living in normal times; we must therefore take abnormal action. If we were living in normal times and the entire economy of the country were devoted to taking care of the citizens of the country, a proper wage structure would be the family allowance. But in making taxing arrangements now I think the matters I am attempting to describe should be taken into consideration in order to avoid hitting one group much harder than another. There are non-essential workers who have suffered a 15 per cent decrease in the standard of living by reason of the fact that they do not come under the cost of living bonus. Such people should not be taxed in the same proportion as those in other industries who have been compensated for the increased cost of living.

This was what I rose chiefly to say. Had the minister made some statement with regard to the question of officers, and as to the manner in which exemptions are to apply, as outlined by the *Journal*—apparently they knew more about it than the minister did—I would not have taken up the time of the house. I would ask him specifically

to consider raising the exemptions in the case of the normal tax from \$660 to \$750. That is only \$12.50 a week or \$750 a year, and with taxes coming out of that there is not much left to live on. The sum of \$28 a week is not much to maintain a family when all other expenses are taken into account. The amounts of \$660 and \$1,200 in the normal tax are far too low. If the suggestion I make were adopted it would do much to encourage many of these people in the lower income groups to accept the other taxing arrangements.

Mr. HANSON (York-Sunbury): There is no exemption on the normal tax.

Mr. GILLIS: Yes, there is an exemption.

Mr. HANSON (York-Sunbury): That is on the graduated tax.

Mr. GILLIS: There is an exemption below \$660 on the normal tax.

Mr. BENICE: One point mentioned by the hon. member for Cape Breton South I must take issue with, and that is the suggestion that life insurance should be registered with employers at the beginning of the year. In my judgment the personal affairs of employees are their own business and that of the administration; it is something between them and the government and no one else. Employees with whom I have discussed the matter, and, I believe, the majority of employees throughout Canada, would take that position. There is going to be considerable difficulty in collecting these refundable payments, which are not to be paid back for some considerable time. After all, as has been pointed out, that money is required to meet obligations at the time it is paid to the employee. When the insurance premium or the mortgage payment is due it has to be paid, and if a man has to wait for months before he can get his money he will be put in a difficult position and in some instances lose his life insurance.

Mr. GILLIS: That is what I was trying to overcome.

Mr. BENICE: The money is taken from him and repaid afterwards, as I understand. He is not allowed to keep, at the time his monthly pay cheque comes in, the amount that would be refundable under the provisions of section 7. He has to wait to get that money back. I do not think the employee should be put in the position of revealing his personal affairs to his employer. A scheme like this might be worked out. The amount of the tax which covers that portion, with