

thing. In some cases, especially in the Toronto income tax office and several others, they are so crowded that you cannot possibly get efficiency. Then you have to buy all the stationery, desks, tables and so on. Last year we wanted to find out why \$300,000 was needed to purchase furniture for the public service, but we can easily understand it now with this increase. Not only that, but many employees are not doing productive work, which all adds to the cost borne by the taxpayer.

When the minister says that a lot of nonsense is being talked about extravagance in the government I think these figures pretty well bear out what it is all about. If some effort was made toward economy perhaps the children of the country would have more chance of getting their chocolate bars back to five cents and their pop back to five cents. Beer is almost as cheap as pop right now and I would rather drink pop than beer any time.

I should like to say a few words about the income tax reduction. We are all glad to see the small reductions that have been made, but I think the exemptions should have been raised to \$1,000 for single persons and \$2,000 for married persons. That has not been done. A married taxpayer with an income of \$2,000 a year will pay \$105 this year, which is a lot of money, and he will pay \$80 next year, which is still a lot of money, especially when we consider the fictitious value of so many articles which must be purchased. A married man with two children is in this situation. If he had an income of \$3,000 in 1939 that same income will have a value of only \$2,100 today and, after paying his tax, he will have left only \$1,906 of real dollar value.

A much greater allowance should be made by way of exemption to people with children. The government seems to have hung out the sign used by so many apartments, "No children allowed." It is a well known fact that in my city a family of two can barely get along on \$1,500 a year, and at that they cannot have many luxuries. The children cannot have many chocolate bars or coca-colas and the like. Why put a penalty on the housewife when she works? There is work crying out to be done, and yet \$250 is all they are allowed to earn at the present time. With present wage rates for women that works out to about 400 or 500 hours, or about fifty or sixty days in the year.

When the children begin to get older and are going to school the need for income becomes greater. Hungry mouths must be

fed, so why penalize the husband by bringing his exemption down to \$750 if the wife earns \$750? What does it amount to for a family with two children with a taxable income of \$2,000? They will pay \$105 this year and next year, \$80. Under these circumstances his taxable income is \$2,750 and he pays \$218 this year and \$180 next year. The family's net gain for the \$750 worth of work by the wife is \$637 this year, and next year it would be \$650.

The hospitals are crying out for nurses. Even with a family of two it is surprising how careful the parents have to be to make both ends meet on \$2,000. The shortage of nurses will not be helped by this budget, because those who are married and who have returned to nursing because of the appeals for help are convinced that it does not help them. As I have stated, it places their husbands in a different bracket. The excess might be taxable to the extent of 30, 35, 40, 45 per cent or more. The amount that the wife is allowed to earn should be raised.

There was a lot of nonsense talked by the minister in making a comparison between income taxes in Canada and the United States, and I should have liked to table an example which appeared in the *Financial Post*.

Mr. SPEAKER: I am sorry to interrupt the hon. member but he has exhausted his time.

Mr. ROSS (St. Paul's): I have a few seconds more. I just wish to say a word about dominion-provincial relations. We know that certain agreements have been signed. We do not know what they are. Are they all the same, or is each one different? If so, what are the variations? I do not think parliament should be kept in the dark as to what they are. The Prime Minister (Mr. Mackenzie King) has talked so much about national unity. Why not let us have real national unity? Let him practise what he preaches without coercion. Canada must be kept a strong confederation with the least centralization of power in government. Confederation was not consummated in secret, but in the spirit of compromise in the open. Two great statesmen helped by another; Sir John A. Macdonald and Sir George Etienne Cartier, helped by the Hon. George Brown who sank their prejudices for the good of Canada, were responsible. The opportunity is there for the Prime Minister to emulate their example. The consummation of a reconfederation is devoutly to be wished.

Mr. LIONEL BERTRAND (Terrebonne) (Translation): I don't propose to speak at any great length, Mr. Speaker. I am not in the