

come they may have. A man who has given up his business, left his property and gone to the front to defend the country should not be taxed on any income whether it be his military pay or any other.

Sir THOMAS WHITE: I think the present provision meets the situation reasonably well. There may be some who have gone overseas, or will have gone, who would not want to be exempt altogether from the provisions of this income tax. I think they would be satisfied to be exempt to the extent of their military and naval pay.

Mr. McCREA: I mean the men who have actually gone to the front, not the honorary or titled men who are floating around at home or in London, drawing pay and doing nothing.

Section agreed to.

Progress reported.

On motion of Sir Thomas White, the House adjourned at 11 p.m.

Friday, August 3, 1917.

The House met at Three o'clock, the Speaker in the Chair.

RAILWAY MAIL CLERKS.

REQUEST FOR INCREASE OF SALARY.

On the Orders of the Day:

Mr. J. P. MOLLOY (Provencher): I would call the attention of the Government to this telegram which I received yesterday:

Winnipeg, Man., 1st Aug., 1917.

J. P. Molloy, M.P.,
Ottawa, Ont.

On behalf of the Manitoba Railway Mail Clerks' Association, we beg to draw to your attention the fact that we are almost the only public or private servants that have not had a salary increase to meet the higher cost of living. Post Office Bill 147 of 1914 was thrown out by the Senate owing to contentious clauses having nothing to do with our increase. Other departments received this increase. A recent deputation to the department begged that this Bill be reintroduced and made retroactive. Your influence would be highly appreciated.

Respectfully,

(Sgd.) R. A. Borland,
President.

Is it the intention of the Government to grant an increase at the present session?

Sir ROBERT BORDEN: The hon. gentleman's observations will be commended to the consideration of the Minister of Finance and the acting Postmaster General.

[Mr. McCrea.]

WAR TAX UPON INCOMES.

CONSIDERATION OF THE BILL IN COMMITTEE.

The House in committee on Bill No. 117, to authorize the levying of a war tax upon certain incomes—Sir Thomas White—Mr. W. H. Bennett in the Chair.

On section 4—Income tax:

Mr. MARCIL: In regard to paragraph (a), is any distinction to be made between a married man who has simply his wife and himself to support and a married man who has his wife and three, four, five, six, ten or a dozen children dependent upon him?

Sir THOMAS WHITE: There is no distinction made having regard to the number of family. So far as I know, there is no legislation in Canada based upon such a distinction. I think in France and in England there is a distinction, but there is this difference between our legislation and theirs, that the amount of exemption with us is \$3,000. In framing the Bill, as I stated when it was introduced, we had regard to the cost of living and to the reasonable requirements of an ordinary family, and we fixed upon \$3,000 as a fair exemption. It does not seem to me possible, although it appeals to one's sympathies, to make a distinction based upon the number of members of a family or of dependents.

It would be unfair to base the distinction solely on the number of the members of a family, because there are many citizens who have not only children to take care of, but other dependents as well. One man, for example, may have a wife and six children to take care of, and another man may have a wife and two children, and four or five others depending upon him. It seems to me it would be impracticable to hold an inquiry, because a question of fact would be involved as to whether or not a citizen had dependents to take care of. One can easily see how the tax could be evaded, and how embarrassing questions would arise. The essential feature of this measure, so far as regards my hon. friend's question, is that there is an exemption of \$3,000, which is higher than the exemption granted in the United States legislation now before Congress, and very much higher than the exemption at present in England.

Mr. MARCIL: I have no objection to the explanation given by the minister. I do not know exactly how conditions are in England, but conditions in Canada are