

ed to include his debts, namely his bills payable, among his liabilities to balance against his assets in determining his profits for any year?

Mr. GIBSON: That is rather a broad question, when you refer to bills payable. If they are bills payable in connection with the carrying on of his business of farming, he would be able to offset them.

Mr. CASTLEDEN: Then debts would be bills payable.

Mr. GIBSON: It would depend when they were incurred.

Mr. FAIR: Might I again ask for an answer to my question as to whether or not, when a farmer's wife works outside on the farm and inside the house, that man and wife will be entitled to an exemption of \$1,860, to which the man and wife who are working in the city are entitled?

Mr. ILSLEY: That is a different situation. My hon. friend keeps referring to the man and wife in the city, but there may be married women in country places who are working for people other than their husbands. It is rather hard for me to say whether or not there is discrimination. I should not like to say there was, but it seems to me that if demands were to be allowed in a case of that kind, there would be discrimination as between the farmer and the wage-earner. In the case of the wage-earner I assume that the wife is working; she is in the house, but she is working.

Mr. FAIR: She is working in an office, a factory or something of that kind.

Mr. ILSLEY: In that case she is getting pay from a stranger, and is entitled to a single person's exemption. But that is not what the hon. member is suggesting. He is suggesting that there should be something akin to that on the farm, and that if a wife works for her husband on the farm the husband should be enabled to pay her something for that work, and get that as a reduction from his income. There certainly would be discrimination at once between the farmer and the business man. Section 31 of the act states:

31. (2) Where a husband derives income as an employee of his wife or vice versa any remuneration paid to the husband or wife shall not be chargeable as an expense of the business in determining the net profit thereof.

That has always been in the act. But, apart from that altogether, when the working man is earning wages, his wife is working, too. I cannot get away from the fact that the two of them are working.

Mr. CASTLEDEN: One is in the nature of an industry or a business, and the other a wage-earner.

Mr. ILSLEY: Right. On both scores discrimination would arise, if he were to accept this suggestion. I think it would arise between the farmer and the wage-earner, but it certainly would be between the farmer and the business man. The situation the hon. member is talking about, where they are both working for somebody else in industry, does not arise here at all. I do not know how to get at the rights of the thing, any better than that; but I do know there would be a great amount of discrimination if we were to follow the suggestion made.

Mr. FAIR: I do not understand why. The farmer's wife works for about twice as many hours as the other lady. She is discriminated against, and the farmer should have that extra allowance of \$660. I am wondering why the farmer and his wife are not allowed the exemption of \$1,860, to balance up with the wage-earner and his wife.

Mr. ILSLEY: Would the hon. member allow an exemption of \$1,860 for a married couple?

Mr. FAIR: If they are both working, yes.

Mr. ILSLEY: Do they not both work? If they are in the lower income brackets do they not both work, in every case? Of course they do.

Mr. FAIR: I could point out to the minister right in this city several ladies who put in full time in their offices, and then go home and look after their housework. That is happening right in Ottawa, and it is also happening on the farms. But the fact that one lady works for eight hours a day and the other works for sixteen hours proves to me quite definitely that unless extra allowances are given to them there is discrimination against those who work for sixteen hours a day.

Mr. ILSLEY: I do not think so. If the farmer's wife went out and got a job the farmer would not lose his married man's exemption because she earned more than \$660 a year. That would be a parallel case.

Mr. ROSS (Souris): He might lose his wife.

Mr. FAIR: On the other hand the wife produces crops on the farm, and then the farmer has to pay income tax on the amounts he receives from the commodities his wife helps to produce. So that I say we shall have to get some common sense into this