

substantial families who are in the lower brackets and subject to income tax, the exemption is not large enough. The amendment was ruled out of order. Since the reports of that debate appeared in the public press I have had a good deal of correspondence on the point. I have before me one or two letters which I produce merely as samples of the public reaction to the position taken by the minister that the allowances made for income tax purposes could never under any system be commensurate with the cost of raising a family. I think I have epitomized succinctly the position taken by the minister on that occasion. The following is the reaction of one man who I think is in the \$3,000 class:

The writer noticed in a Canadian Press report of even date your criticism of several clauses in the government's new income tax act, especially those pertaining to the extremely low allowance provided for families with children.

I believe the deduction from the tax is \$108 for each dependent child.

I also noticed a remark by the Hon. Mr. Ilsley, Minister of Finance, to the effect that no country, including Canada, makes sufficient allowance in income tax deduction to provide for the necessary cost of food, clothing, medical care, etc., of children.

To my humble mind, this is the most ridiculous statement I have ever heard come from a man of the honourable minister's standing. In one department, namely pensions and health, under the Hon. Mr. Ian Mackenzie—

This is for my hon. friend for Vancouver Centre.

—parents in this country are continually told by pamphlets, press reports, etc., of the type of food, clothing, and medical care Canadian children should receive from their parents, and then to have the Minister of Finance get up in our House of Commons and make a statement such as he did, either proves that he has no conception of the costs and responsibilities of raising a family, or else he does not care.

These are not my statements; they are the statements of this correspondent. The letter continues:

As a native of this country, I maintain that the foundation of Canada, or of any other civilized country, rests upon men and women who are prepared to bring up a reasonably well educated, well behaved, well fed and well clothed family, and to do this, adequate deductions from income should be allowed; and any minister of the crown who does not make this provision is working to the detriment of our country.

May I therefore appeal to you to continue your appeal on behalf of Canadian fathers and mothers. Having four children who are now in their teen age, I can assure you that my wife and myself are at our wits end endeavouring to feed, clothe and educate them under the existing conditions.

I shall send this letter over to the minister if he cares to examine it further. In the same

[Mr. R. B. Hanson.]

connection I have a letter from a young married man who lives on the Atlantic coast and who takes exactly the same position. He is trying to raise a family, and he claims that he is being grossly discriminated against in comparison with the bachelor receiving the same income. I shall not read the whole letter, but he says:

Take for instance the tax on an income of \$3,000 per year. The single man with no dependents pays a tax of \$1,064.40. The married man with three children pays a tax of \$560.50. This leaves the single man with a net of \$1,935.60 and leaves the married man with the three children with a net of \$2,439.60. I have not computed the savings portion of these taxes for the important feature is the residue of income left to the tax payer after the amount of the tax has been paid, whether or not part of it be paid to an insurance company or upon a mortgage or for any of the purposes for which a deduction may be made from the savings portion. Furthermore, the married man with the three children is much more likely to be making payments of the nature which can be deducted than is the single man and in many cases is paying for such purposes more than the savings portion of the tax.

Last year I read an article by the headmaster of one of the junior colleges in Ontario as to the very serious results of this small allowance for children. I also recently read that the Marsh report—

We have heard of that before.

—quotes a recognized authority that \$40 a month (I haven't the article before me but I think that was the figure) as the minimum cost of supporting and maintaining a child. It certainly seems that at this time such a discouragement should not be given to the possible parents of children who are not altogether indifferent to the responsibility which should attach to that relationship.

It does seem to me that either the married man with the children is being taxed too much or the single man is not being taxed enough. If one of the objects of our taxation system is to discourage inflation, why such a disparity between the man who has only himself to provide for and the married man with the children?

And so on. I suggest to the minister that there is tremendous feeling in this country over the fact that the allowances for children are not sufficiently high and that the whole policy of the government is to discourage the raising of families and to make it impossible for the very ones who ought to be raising families, the people who can give their children a moderately good standard of living and educate them reasonably well, to do so. They have reached the point where they have to consider carefully whether they will have more children or have any children at all. The crux of the matter is the taxation being imposed upon the young married man and the glaring disparity in favour of the bachelor receiving the same income.

An hon. MEMBER: Out of order.