

Hon. Mr. CRERAR: I mean, where they take off a balance sheet, showing additional capital, whether that be the putting up of a fence or breaking of new land, or anything like that.

Mr. HANNAM: Do you mean on an inventory basis?

Hon. Mr. CRERAR: On a proper balance sheet basis.

Mr. HANNAM: Then probably your figure may be about right.

Hon. Mr. CRERAR: I want to ask a question about the hired man on the farm. He should, of course, pay his proper share of taxes the same as everyone else. If I may make an observation as an aside, I think everyone should be treated equally before the law, and that everyone who is liable should pay his proper share of taxes whether he be a farmer or a labourer or anyone else. But there are great difficulties in the way of getting at the farm labourer. Do you think it would be practicable to make a deduction off the labourer's wages and send that to the Receiver General every month or every three months, whenever the wages are paid? If that were done the hired man could of course claim a refund if his tax was overpaid.

Hon. Mr. ASELTINE: That is the law. That is what is done now.

Hon. Mr. CRERAR: I take it that you are objecting to that, Mr. Hannam?

Mr. HANNAM: It has not worked out, Senator Crerar; it just is not working.

Hon. Mr. CRERAR: It does not work out, perhaps, for one of the reasons you have stated, that if there is a farmer who legitimately tries to observe that law the hired man may say, "If you are going to take that amount off my wages each month, I will not work for you," and he will leave and go to work for somebody else.

Hon. Mr. ASELTINE: There is a row every time the farmer does it.

Hon. Mr. CRERAR: Is that the practical objection?

Mr. HANNAM: Yes.

Hon. Mr. CRERAR: Are there any others?

Mr. HANNAM: Another objection is that a large percentage of farmers do not know how to make out income tax returns. If they can be personally helped to do it once or twice they are all right. But most of us who have a better chance than the average farmer has to learn how to fill out income tax returns, know that it is not a simple matter. With a mixed farm it is particularly difficult; the farmer does not know where to begin, he does not know where he is at. If deductions were made for the hired man's tax, that would be a further complication.

Hon. Mr. CRERAR: I think there is still another consideration, that whether we like it or not, farm workers as a group are the lowest paid in our society.

Mr. HANNAM: Usually.

Hon. Mr. CRERAR: And the least efficient.

Mr. HANNAM: Yes, very many of them; but they are the lowest paid group in our society. I think they have the least amenities of life of any group.

Hon. Mr. HAIG: Hear, hear.

Mr. HANNAM: Actually we would not be giving them any preference so far as I can see if we forgot about them altogether in regard to tax deductions.

Hon. Mr. DAVIES: You are speaking of farm labourers?

Mr. HANNAM: Yes.

Hon. Mr. BENCH: Would it not be better to improve the situation and see that they get a higher wage return?