

think the minister put the deadline at \$2,500—undoubtedly the new exemptions are better for the wage-earner, but above that level they become exceedingly onerous. This is particularly so in view of what the minister has said about the state not assuming any of the obligations a man undertakes when he gets married and raises a family. However I would point out to the minister that these people did not undertake to raise their families with the income tax rates at their present levels. The minister is placing a burden upon them which in many cases is hardly tolerable. Of course that is because of the war; we understand that, and we sympathize with the minister as far as it is possible to do so, but we do ask that there be fairness in regard to taxation in this country.

There is no doubt that when the change was made in the manner of granting exemptions; when instead of giving a flat exemption of \$400 before arriving at the taxable income, the government adopted the policy of giving a stipulated credit on the tax, this made a very great difference. I have been sent a brief by a Toronto lawyer. I have not been able to check the figures, but he indicates just what the difference is in regard to a married man without children and a married man with four children, in the same income bracket. I should like to place a few of these figures on *Hansard*, in order to show how much more difficult the present taxation system is for a married man with four children as compared to a married man without children.

In the \$2,500 bracket the difference between the method previously adopted, namely the deduction of \$400 before arriving at the taxable income, and the new method of giving a tax credit, is as follows. The married man without children has to pay \$165.80 more, while the man with four children pays \$155.80 more, so that he is still a little better off. Then we come to the \$3,000 bracket, which includes the great majority of the professional class and the great under-managerial class in business, if you like. In this class the man without children pays \$174.40 more by reason of the change in the method of granting exemptions, but the man with four children pays \$354.40 more. In the \$3,500 class the man without children pays \$194.40 more, but the man with four children pays \$439.40 more. Then we go on to the \$4,000 class; the man without children pays \$194 extra, while the man with four children pays \$482 more. In the \$6,000 class the man without children pays \$245, and the man with children \$621, by reason of this change, which works an iniquitous hardship upon those who are endeavouring to bring up families.

Mr. ILSLEY: Do those figures include returnable taxes?

Mr. JACKMAN: It does not say whether any portion is returnable, or not.

Mr. ILSLEY: Yes, it is.

Mr. JACKMAN: I rather gathered from the brief that it was assumed that the man would have full compensation, or would be allowed returnable taxes arising from mortgages and insurance policies. In the \$8,000 bracket the married man without children pays \$270 more, but the man with four children pays \$745 more. In the \$9,000 bracket the man without children pays \$287 and the man with four children \$767.

The brief goes on to point out the various items of expense carried by the man with four children—extra housing accommodation, extra clothing, food, medical and dental expenses, and so on. Education is not mentioned, but a small amount for summer vacations is included, something to which each child is surely entitled even under the stress of war. There is a strong feeling on the part of a large number of Canadians who are contributing to the building up of this country and to the carrying on of the war effort that the present method of granting exemptions for married men with children is an unfair one.

To summarize: I agree with the minister that up to \$2,500 it was a better system than the one which prevailed previously; but after that level it is much harder on the taxpayer than it was before and I believe the minister should give consideration to some amelioration of that hardship.

Mr. POULIOT: Mr. Chairman, I rise to a point of order. The minister has raised a point of order, and no one may properly discuss the merits of the paragraph before that point of order is decided. I have just a few words to say with respect to it.

It has often been said that members of parliament could not change anything in connection with any financial matter brought before the house by a minister. I believe a distinction should be made. In the old times, when there was no parliament, matters of taxation were decided by the king himself. He decided how much the levy was to be from his people, and by what ways and means it should be raised.

We now sit in a ways and means committee. It is my understanding that a member has the right to suggest by way of amendment that legislation should bring taxes not only to lower brackets, but even to higher brackets. Then it is the duty of