

no doubt that this year many children over the age of twelve will be working in Saskatchewan. They should be paid. This money should be placed in an account for them to use later on. I would add that I disapprove taking these children out of school and going back to the use of child labour, but if it is done, an amount should be allowed as wages for such children. Certainly some consideration should be given to the production by the woman on the farm. It should not all be lumped as farm income. I should like to know if this matter has been considered and if any policy has been adopted. Will the minister give consideration to the point I have raised?

Mr. MAYBANK: I do not oppose the suggestions which have been put forward, but I would point out that there are other cases where a similar situation exists. I am sure all hon. members will support what has been said by the last three or four speakers with reference to the difficulty faced by the farmer. Certainly, as one coming from the city I would not oppose that point of view. However, I find that a considerable number of people in the cities have a similar problem. I am thinking of the small corner grocery store run by different members of a family. In my city they are known as "pa and ma" stores. In these cases the wife nearly always works just as long hours as the husband, and quite often other members of the family work as well. As I stand here I can picture some twenty, thirty or forty of these stores on corners throughout Winnipeg. I am entirely sympathetic with what has been said about the farmer, but I feel it is my duty to point out that there are others in the cities of whom account will have to be taken by the minister when he is figuring some way round this difficulty.

Mr. WRIGHT: As a farmer from western Canada I must say that the first problem of the farmer is to get enough income on which to pay an income tax. This is borne out by figures which have been tabled in the house and which show that only 1,488 farmers out of 700,000 paid income tax on their 1941 incomes. However, when the farmer has reached the point where he is paying income tax there are several matters which should be taken into consideration. The hon. member for Rosetown-Biggar brought up one, namely, the allowance of some wages to the farmer's wife. I am in agreement with the other hon. members who have spoken with regard to simplifying the forms. That is essential.

There is also the matter of depletion of capital assets. If I am a storekeeper, carrying

a stock of \$10,000 and have a turnover during the year which makes a profit of \$3,000 and I have depleted my stock in that store by \$2,000, thereby receiving \$5,000 for the year, that \$2,000 is not income; it is depletion of a capital asset. But if I am a farmer and have 100 head of beef cattle and during the year I sell, say, \$3,000 worth of those cattle from the increase, and deplete my herd by selling an additional twenty head, with the result that I obtain an income of \$5,000, I pay income tax on the \$5,000, although \$2,000 is, in reality, depletion of capital assets. That is not fair.

Another matter has to do with depreciation of special equipment which farmers have to buy at this time in order to obtain the increased production that is required of milk, cheese, et cetera. Many farmers have increased their herds and are buying milking machines. They are also farming more land and buying combines, so that they can grow the things that are needed. If I am a contractor and buy special equipment to fill a government contract, I am allowed special depreciation on that equipment, the government taking the view that after the war I may not get contracts and that the equipment may not be of value. I maintain that special depreciation should be allowed to farmers who buy special equipment in order to produce the larger amounts of things the country needs at this time.

There is also the matter of additional buildings. In western Canada there has been extensive construction of piggeries in order to increase pork production. No special depreciation is allowed on those buildings, although, if an addition is built to a factory to produce additional war equipment, special depreciation is allowed to wipe it out in perhaps three years' time. Some special allowance should be made to farmers on special equipment which they had to buy for a similar purpose, and on special buildings. If a man is operating a cheese factory and has to put in special equipment, he is, I understand, given a government grant to put it in and allowed special depreciation on it.

There is also the allowance made for board to men working on farms. For income tax purposes I believe \$15 a month is allowed for board and lodging. This was the amount allowed prior to the war, and I think it should now be raised to at least \$20 a month. I hope the minister will take these matters into consideration because they are matters which have to be reckoned with in fixing farm income.