

the married man's exemption, \$1,200, and the wife is entitled to the single person's exemption of \$660. If they have a family, the chances are that the wife has to get some woman to come in and look after the house or the flat or the children. That has happened, I believe, in a great many cases. Some of these extra expenses may be incurred where the couple have no children. The case of the wife on the farm is not that of a woman who is putting in full time on the production of the farmer's income. It is true that in some cases she gives some assistance to her husband, but ordinarily her case is much more nearly comparable, I believe, with that of the wife of the working man who stays at home. That woman works, especially if she has children, a good part of the day or all day. She has her household duties and her children to attend to, her cooking to do, and probably also the washing, ironing and everything of that sort.

Mrs. NIELSEN: Mr. Chairman, if the minister will permit the interruption I must protest against that statement. When spring work comes on, many farm women—

Mr. ROSS (Souris): Many thousands.

Mrs. NIELSEN:—will have to take over completely what has been previously done by hired men. They will spend the whole of their day out in the fields driving a team or a tractor, leaving to the children the housework or the work about which the minister was speaking. They definitely will be taking over the whole-time duties of the hired man, and their efforts should be acknowledged.

Mr. ILSLEY: That is true, I presume, in a number of cases. I have no doubt it is.

An hon. MEMBER: Many thousands of them.

Mr. ILSLEY: Well, it would take some checking to know how extensive it is. But the working man does not get any deduction or exemption for the services of his wife, as is being asked for the farmer by virtue of the fact that his wife does this work. Neither does the shopkeeper's wife nor the wife of anybody in business. She assists her husband to make the income, and the husband is taxed on the income.

Mr. ROSS (Souris): Not to the same extent.

Mr. ILSLEY: It is a matter of extent, of degree. I hear what is being said. It is a matter as to which conditions would perhaps vary in different parts of the country.

Mr. HANSON (York-Sunbury): The only exception I know of to that is the case of the town postmaster whose wife takes her trick in

[Mr. Ilesley.]

the post office, certain hours of the day, for which he pays her a salary. I do not know whether he is entitled to take that off his income, but there is such a position.

Mr. ILSLEY: Is the wife not contributing to the family income whether she is working indoors or out? Is it not a cooperative enterprise in which the husband is doing some work and the wife doing some work? In some cases the wife works hard and the husband not so hard, and in other cases the husband works hard and the wife not so hard. But whether it is a labouring man with a wife who is working in the house or a farmer whose wife is working partly outdoors and partly indoors, with some of the children doing work indoors, is it not in all cases a matter of a man and his wife working together, both contributing to the family income?

Mr. ROSS (Souris): Except that in one case you allow \$1,860, and in the other \$1,200.

Mr. ILSLEY: She is working for a stranger there.

Mr. MARSHALL: In connection with the income tax on farmers I should like to ask the minister a couple of questions based on an article which appeared in the *Financial Post* last summer. The article is headed:

Probe farm income tax situation.

Committee named to find why returns are not being made by enough farmers.

It states:

Alarmed by the moderate response of Canadian farmers to federal income tax requirements, a small committee headed by Ronald Sharp, chief inspector of income tax, has been named to survey the whole field of agricultural income tax in Canada. Preliminary meetings have already been held in Ottawa in recent days.

Eventually it is expected that the committee will make recommendations to the department looking toward simplification of forms, issuance of special rulings and possibly a country-wide educational campaign.

Behind this new and important move is the fact that Canadian farmers (despite present tax law exemptions and record-breaking farm income) are not making tax returns. In 1942 some 8,500 of Canada's 700,000 farmers paid income taxes. These taxes were paid this year on the basis of income received in 1941. Actual returns were filed by about 25,000 but only 8,500 paid taxes. This figure compares with about 4,000 farmers who paid taxes the previous year and between 1,200 and 1,500 who paid in the pre-war years.

So far, Ottawa is not optimistic that there will be any bonanza uncovered as the result of this committee's efforts. The farmer has long been an income tax problem, and will probably always remain so.

The Ottawa committee now studying this question includes (in addition to chairman, Ronald Sharp) the following: W. E. Haskins, secretary of the Canadian Federation of Agri-