

Income War Tax Act

This apparently gave some of the administrative officers in the air force bad ideas, and I understand that they are flying around rather freely. I do not want to say anything that I should not, but the fact is that they are "flying in" their income tax. I do not mind saying that to me that is scandalous. We do not ordinarily associate that kind of activity with our fliers, and they certainly should not be able to qualify in that way. I do not think the section requires any amendment, but I certainly think an administrative change will have to be made in order to avoid this abuse. I think that administrative change can be made. I just wanted to say this, because it is not often that the hon. member for Fraser Valley (Mr. Cruickshank) says something with which I agree.

Mr. EDWARDS: The minister's observations have answered largely the matter to which I was going to refer. Be it said to the credit of one officer whom I know and whose duties were such that he had to fly, that he was unwilling to be a party to this practice or be suspected of flying out of his income tax, so he refused to turn in his flying hours for the last several days. In contrast, I do not think I can do other than raise my voice in protest against those in the air force who are known—this comes from the air force itself rather than from the public—to be carrying out the practice referred to by the minister. I think we can rely upon the minister and the officers of his department to see that this is taken care of by suitable regulations.

I am wondering if all hon. members who have spoken in regard to the situation with respect to payment of income tax by officers have not had such representations as they have received from officers of the rank of major and below. These representations have been prompted by the fact that their sergeants and warrant officers, classes 1 and 2, were in effect receiving a greater compensation on account of the innovation of this income tax. May I say that I have yet to meet a Canadian officer in our army, navy or air force who has protested to me, or to any of my friends with whom I have had conversation, about his obligations to pay income tax. I have heard from numerous officers of their willingness and readiness to contribute financially toward the payment of this war. I think it is wonderful that such a tribute can be paid to the officers of our three active services.

Such complaint as now exists arises as a result of the discrepancy between the three upper ranks of the non-commissioned officers and the lower brackets of the commissioned officers. This applies in the army and air

[Mr. Ilesley.]

force, but I am not sure whether the same observations can be made with regard to the navy. I have been told that sergeants and warrant officers are refusing promotion in the army and air force because such promotion would mean they would lose \$200 or \$300 a year. I do not think there would be any vocal resentment by these warrant officers and sergeants if they were brought into the income tax field. I think that is the fair and reasonable way to deal with this matter.

At the outbreak of the war many men came forward and volunteered their services. They took this action in the light of their known incomes and their prospects for promotion in rank. These men cannot make financial adjustments such as the civilian at home can make. I think it is absolutely unfair to increase their income taxes from year to year. Two years ago these men gave up their professions and businesses; they sat down with their wives and families to figure out what they could do, whether or not they could get along, and now the government comes along and raises the ante on them by way of income tax.

Mr. GRAYDON: Replying to the hon. member for Fraser Valley (Mr. Cruickshank), the minister gave a schedule of exceptions with regard to forces afloat. Will those include merchant seamen, or do they apply only to the naval forces?

Mr. ILSLEY: Just to naval forces.

Mr. GRAYDON: Without reflecting on the perils of the service which anyone on active service is risking, and it may be much more dangerous before long, our airmen who are flying over Germany and our men who are serving in the merchant navy are almost in a class by themselves so far as actual danger is concerned, and if the minister has in mind at any time making further exceptions I trust that he will not forget the men in the merchant navy who have to undergo the greatest perils of almost any branch of the service, military, naval, air or civilian. We have all seen the appeals that have been made throughout this country on behalf of the men in the merchant navy, and I am sure that the minister and everyone else is convinced that they are carrying on a service for us for which they can never receive an adequate reward. But if any further exceptions are in contemplation I would plead with the minister not to forget the men in the merchant marine.

Mr. GREEN: That is a very important point. The bill that has already passed this house for the reinstatement by employers of their men who have served in the armed forces