

SECTION 5—Continued.

- (e) the incomes of labour organizations and societies and of benevolent and fraternal beneficiary societies and orders;
- (f) the incomes of mutual corporations not having a capital represented by shares, no part of the income of which inures to the profit of any member thereof, and of life insurance companies, except such amount as is credited to shareholders' account;
- (g) the incomes of clubs, societies and associations organized and operated solely for social welfare, civic improvement, pleasure, recreation or other non-profitable purposes, no part of the income of which inures to the benefit of any stockholder or member;
- (h) the incomes of such insurance, mortgage and loan associations operated entirely for the benefit of farmers as are approved by the Minister;
- (i) the income derived from any bonds or other securities of the Dominion of Canada issued exempt from any income tax imposed in pursuance of any legislation enacted by the Parliament of Canada; and,
- (j) the military and naval pay of persons who have been on active service overseas during the present war in any of the military or naval forces of His Majesty or any of His Majesty's allies.

ON SECTION 5—INCOMES NOT LIABLE TO TAX; PARAGRAPH (j):

MR. GRAHAM: *I presume that, as a matter of fact, comparatively few incomes of men at the front will be taxable any way?* Military and naval pay.

SIR THOMAS WHITE: *Some. Their pay is exempt.*

MR. GRAHAM: *I know that the pay they receive as members of the military forces is exempt but their entire incomes are not exempt. Has the Government considered the question of exempting the entire incomes, up to a certain amount, of men who are serving at the front?*

SIR HERBERT AMES: *They will be exempt to the extent of \$3,000 besides by this Bill.*

MR. GRAHAM: *I imagine they will be exempt up to \$3,000. But suppose a man's income is \$5,000, would it be unreasonable*