

justification for going back to his riding, to try to convince the people there that as a private member, or in any other capacity in this House of Commons, he has done his duty by the men who are making the supreme sacrifice, or who will shortly be called upon to make that sacrifice on our behalf, so long as such members stand back and permit such a ridiculous, nonsensical, idiotic class of legislation to be placed on our statute books. I do not know what more I can say against it, but certainly it will not carry except on division so long as I am a member of this house.

Mr. ILSLEY: To a great deal of what my hon. friend has said I listened with agreement, which is more than usual. I did not learn until recently, a few weeks ago, of the practice which apparently has arisen—I do not know how extensive it is—

Mr. ROSS (Souris): Fairly extensive.

Mr. ILSLEY: —on the part of administrative officers of the air force of "flying in" their income tax. When I did learn of it I thought it was scandalous, and I still think so. The basis of it is this, and it will give hon. members an idea of the difficulties and the dangers of trying to meet what appears to be a meritorious claim without thinking of where it will lead the government. The members of this committee will recollect that about two years ago, I believe, members on the other side of the house, and perhaps on this side too, although I do not remember, made very strong appeals on behalf of our forces overseas, and non-commissioned officers and privates in Canada, and said that they should be exempted from income tax and national defence tax. That met with the usual acceptance from members of the house who did not feel that such persons ought to pay. Accordingly the government drafted a provision for insertion in the Income War Tax Act among the exceptions. This provision in section 9 of chapter 34 of the Income War Tax Act reads:

The following incomes shall not be liable to taxation hereunder:

(t) The service pay and allowances of

(i) warrant officers, non-commissioned officers and men in the Canadian naval, military and air forces while in the Canadian active service forces, and

(ii) commissioned officers of the said forces while on active service beyond Canada, or on active service in Canada, whose duties are of such a character as are required normally to be performed afloat or in aircraft.

The reason for exempting "commissioned officers of the said forces while on active service beyond Canada" was that it struck

members of the house and, I believe, a great many of the public, that it would be undesirable and not in accordance with public opinion in Canada—I was going to say public opinion of the generous Canadian people—to tax men who were fighting in France, as we thought these men would be doing at that time. It was felt that public opinion would not be in favour of their being pressed for income tax returns, having a national defence tax deducted from their salaries, and so forth. Therefore that exception was agreed upon as a proper one, although I may say parenthetically that there is no such exception in the United Kingdom or United States law. At any rate, we put it in the Canadian law. As soon as that was agreed upon, a little reflection convinced us that if men in France were to be excepted, or men in Great Britain, equally the men doing duty in the navy on the Atlantic ocean, with all its perils and dangers and fatalities, must be given the same privilege. Then it was said that if we did this for men on the ocean we should do it for the patrols out over the ocean, the airmen who go out in all kinds of weather; and if we did that we could not draw a distinction between them and the men who are flying in Canada, some of whom crash, and undergo considerable risks. Consequently this provision was drawn up:

Commissioned officers of the said forces while on active service beyond Canada or on active service in Canada whose duties are of such a character as are required normally to be performed afloat or in aircraft.

That section was carefully drawn, and there seemed to be good reason for every word of it. That is the law. What did it mean? What is meant by "duties of such character as are required normally to be performed afloat or in aircraft"? There had to be some classification, and that was an extraordinarily difficult thing to do. Conferences were held between officials of the Department of National Defence for Air and the Department of National Revenue, and finally it was agreed to take the average number of hours flown by those flying in one year, I think it was 1940. That worked out in the neighbourhood of 200 hours, and in order to err on the side of generosity, as we have been urged to do to-day by the hon. member for Brantford City (Mr. Macdonald) and others, and leave no chance for criticism on the ground of niggardliness, the 200 hours were divided in two and 100 hours was fixed as the standard. If an officer had flown 100 hours or more he would be deemed to be an officer whose duties were of such a nature as are required normally to be performed in aircraft.