

*Income War Tax Act*

by adding the word "wholly". Then I would point out that a change has also been made in paragraph (d), which reads:

a minister or clergyman, other than a married person, in charge of a diocese, parish or congregation, whose duties require him to maintain at his own and sole expense, a self-contained domestic establishment and who employs therein on full time a housekeeper or servant.

What was the necessity of adding the words "other than a married person" to the provision as it previously existed? I would also point out that in subsection 2 (i) the exemption for a child, a grandchild, a brother or a sister is now determined by whether or not that person is wholly dependent on account of mental or physical infirmity.

Mr. HANSON (York-Sunbury): Perhaps we could deal with one at a time.

Mr. ILSLEY: With regard to the words "other than a married person", that is merely a change in wording which does not alter the sense. The case of the married person is covered by paragraph (a), and then paragraph (c) covers an individual other than a married person.

Mr. DIEFENBAKER: But the act as originally drafted provided for a married person.

Mr. ILSLEY: This is thought to be a little improvement in the wording. With regard to the word "wholly", that is in section 91 of the national defence tax provisions of the Income War Tax Act. This just adopts the wording of the national defence tax section rather than the wording of the graduated income tax section. I do not know whether it would make any difference; I should not think it would.

Mr. DIEFENBAKER: I come now to subsection 2 (ii), where provision is made for a parent or grandparent of a taxpayer, wholly dependent on account of mental or physical infirmity. I suggest to the minister that there are many taxpayers throughout the country whose wives have no independent incomes, and who are to-day supporting one or both of the parents of their wives. I know of two instances of this kind; I have had letters from these people during the last few days, and there seems no reason why a man who is willing to support his parents-in-law in order to relieve them from the necessity of accepting public charity should not be entitled to the same exemption that is accorded a taxpayer who supports his own parent or grandparent. Would the minister give consideration to extending the right of a taxpayer to claim exemption in cases of this kind.

[Mr. Diefenbaker.]

Mr. ILSLEY: This matter of the in-laws is an old question, which has been brought up, I think, at every session for the last twenty-five years. I am not familiar with the standard argument on it, though I know the request has always been refused. Exemptions for dependents are confined pretty largely, if not wholly, to dependents in connection with whom there is an obligation to support.

Mr. HANSON (York-Sunbury): Of course, there is none in that case.

Mr. ILSLEY: No. That, I think, is the reason.

Mr. HANSON (York-Sunbury): I think the reason is the desire to restrict it.

Mr. DIEFENBAKER: I support the suggestion made by the hon. member for Calgary East and also by the hon. member for Vancouver South in reference to exemptions of officers in Canada on active service from payments of income tax. During the debate yesterday the suggestion was made that there is no exemption in the United States or in Great Britain in so far as service men are concerned, the general principle being that, subject to the exceptions set out in the act as at present constituted, all should be required to pay income tax. But we in this parliament have departed from that principle in that we recognize the right of exemption of our officers and men overseas as well as of those men in the service in Canada and officers who are actually engaged in the navy or in the air force, requiring them to be at sea or in the air from time to time. Therefore, so far as the general principle is concerned, I submit that having departed from it in one particular and having regard to the representations that have been made as to the anomalous results which flow from imposing the income tax on junior officers who are on active service, whereby they receive less than their non-commissioned officers, the exemption should be granted. I want to add to that something which has not been brought up before, and that is that the women who are in service in Canada and overseas in connection with the navy, the air force and the army, should be exempt. Women in the army or in various services, whether overseas or in Canada, do not appear to be exempt under the act, certainly not as the statute now stands, and I would suggest that when the minister does bring before the house the amendments which he has said he intends to propose regarding officers in the services in Canada, the matter of exempting women in service in the various forces should be provided for. The effect of