

48. On July 14, 1934, the Senior Air Officer of the R.C.A.F. authorized a benevolent fund to be established for the benefit of R.C.A.F. personnel and their dependents. Three Service trustees were named in 1937 to administer the fund, which then amounted to \$8,292.46. The trust agreement prohibited any distribution of principal. An Air Force Order of October 31, 1941, directed contributions to be credited to the benevolent fund from the following sources: (a) a percentage of the net proceeds of sports events and motion picture shows, (b) collections made at divine services, (c) net proceeds of annual air displays and visitors' day, (d) 1 per cent of the gross sales of canteens and messes, (e) R.C.A.F. share of profits paid into Auxiliary Services Fund, (f) proceeds from Navy, Army and Air Force Institutes, and (g) subscriptions or contributions from friends of the R.C.A.F.

49. During the 1942 session of Parliament a Committee of the House of Commons inquired into Service Canteens and in its report is to be found:—

Your Committee has examined the Air Force Administrative Order of the Royal Canadian Air Force Benevolent Fund and has noticed that neither officers nor other ranks now serving in the Royal Canadian Air Force will be eligible after discharge for assistance from the fund. This fund was started in peace time with the very laudable object of assisting Air Force personnel while in the service. However, with the great increase in numbers many Air Force canteens having large gross sales have been established. Should the war continue for a few years longer and should one per cent of the gross sales continue to be paid to the Benevolent Fund, it is certain that a very substantial sum will have accumulated — a sum much greater than is likely to be required for the benevolent purposes of even a greatly enlarged peace time air force. It is not fair to take a portion of the gross sales from the canteens which are now being patronized by those who are not likely to be in the Force after the close of hostilities unless they will be entitled to the same benefits from the fund as those who remain in the Force. Your Committee, therefore, recommends that no further payments be made to the R.C.A.F. Benevolent Fund until it is provided that all ranks now serving in the Royal Canadian Air Force will be eligible for the benefits both during service and after discharge.

50. Steps were taken to create a corporation under Part II of the Dominion Companies Act. The applicants for letters patent were the Deputy Minister of National Defence for Air, 3 civilian officers of the Department, 9 Service Officers and the following: the Honourable A. P. McNab, Regina, Mr. Justice Savard, Montreal, and Messrs. C. L. Burton, Toronto, H. E. Sellers, Winnipeg, R. P. Bell, Halifax, Clarence Wallace, Vancouver, James Walker, Edmonton, D. L. MacLaren, Saint John, N.B., and H. C. Bourke, Charlottetown. Letters patent issued on April 1, 1944, for a corporation to be administered by 15 directors (since increased to 20). The membership is limited to 100 persons who are nominated by the Board of Directors. The letters patent empower the corporation (a) to succeed to and take over the assets held by the trustees of the Benevolent Fund, (b) to receive gifts, grants or donations, (c) to invest and administer the moneys, and (d) to expend all or any moneys received or held by the corporation, both principal and interest thereon, to relieve distress and promote the well being of members or ex-members of the Royal Canadian Air Force or of their dependents and for the costs of the administration of the affairs of the corporation.