

In this connection good conduct and length of service will be the deciding features. In order that all may share equally it has been decided that time passed at Air Observer Schools on Indefinite Leave will be considered active service and such time will be to the benefit of such A.O.S. pilots desiring operational training posting.

Mr. Strang draws attention further to a reply received after representations made in 1943, seeking relief from income tax, were discussed by the Minister of Finance and the Minister of National Defence for Air, which stated:—

- (a) The rates of pay have been standardized for all pilot personnel, whether seconded from the R.C.A.F. or straight civilian employees;
- (b) The rates were set at a figure which, for the service personnel on leave without pay would net the individual after payment of income tax approximately the same amount as his service pay.

Mr. Strang compared the remuneration in 1943 of an instructor and a pilot officer as follows:—

	<i>Per Annum</i>
Pilot Officer, General List, Married, Service pay plus subsistence	\$3,458 55
Senior Pilot, A.O.S., Married, less income tax (excluding compulsory savings)	3,266 67

The Air Force witnesses stated that an instructor was employed at \$2,850 a year, increased to \$3,300 as soon as he was qualified for day flying only, and to \$3,600 as soon as he was a fully trained junior pilot; that approximately one-third of these personnel could reach a salary of \$4,800. The Air Force witnesses expressed the opinion that instructors in A.O.S.'s, numbering approximately 1,200, enjoyed a generally higher rate of pay and suffered slightly less risk than instructors in E.F.T.S.'s.

Section 7 (a)

MERCHANT SEAMEN

The Interdepartmental Committee on Veterans Affairs examined representations dated November 28, 1945, and January 5, 1946, respectively, by Mr. W. R. Shaw of Halifax, N.S., and Mr. Terrence O'Grady of Victoria, B.C., and a letter dated November 23, 1945, from Mr. Arthur Randles, former Director of Merchant Seamen, requesting that he be heard by the Parliamentary Committee in order to explain the anomalies which appear when comparing the civilian service of Merchant Seamen with that of the armed forces. The Interdepartmental Committee heard Mr. Randles and the Assistant Director, Captain E. H. Cameron.

The representations by Mr. Shaw on behalf of Canada's Merchant Seamen, and with special reference to those who were detained in Germany, concede that the wartime status of these personnel differs greatly from that of members of the armed forces. He urges that this was not due to any action on the part of the seamen themselves but may be ascribed to the failure of the Government to include Canadian merchant seamen in the same category as members of the armed forces; and, as the Merchant Navy played an important, if not a vital, role in the winning of the war, the claim of the seamen to proper compensation should be dealt with in a sympathetic and practical manner. Mr. Shaw stated that, in proportion to its strength, the Merchant Navy suffered greater losses in lives and ships than any branch of the armed services, and Mr. Randles held the same view. Mr. Shaw objected to the imposition of income tax on the basic