

I will give the case of a young lawyer, keen and anxious to go overseas. He is chained to a desk helping to keep records. Somebody, of course, has to do that; it is very important to keep records. But here is a man who can do valuable work as a fighting man, and yet, because he has some qualifications as a lawyer and is a good office man, he is just chained to a desk keeping records.

Mr. ROSS (Moose Jaw): Should that man be taxed?

Mr. HANSON (York-Sunbury): He does not want to stay in Canada; he wants to go overseas. If he were back in civilian life practising his profession he would be taxed much more heavily.

Mr. ROSS (Moose Jaw): There are many men in his position in the forces to-day who would go overseas if they could, but they are held back for some particular reason.

Mr. HANSON (York-Sunbury): I know; the whole thing is so difficult that it is impossible to lay down a general rule that will give satisfaction to everybody, and I think the minister will agree with me there.

Mr. MACDONALD (Brantford City): Is it not better to err on the generous side?

Mr. HANSON (York-Sunbury): I am agreeable to that principle, but not if it is going to cost the nation \$25,000,000. That is a huge sum. I can scarcely believe it is that large, but the minister says so. His officials have made the estimate, and I must accept it because I have no evidence to the contrary. Certainly, be generous, but I do suggest that it is a good principle to follow that you must be just before you are generous.

Mr. GREEN: Did the minister say there were 20,000 officers in Canada? Would he mind repeating the figure?

Mr. ILSLEY: The number of commissioned officers in Canada in the three services is 24,499.

Mr. GREEN: Does that include the reserve?

Mr. ILSLEY: I took it for granted that it did not include the reserve. It was not made for the purpose of including the reserve, and I am pretty sure it does not.

Mr. GREEN: It seems very high. The minister has said that between twenty and twenty-five million dollars would be lost in taxation if these officers were exempt. That would amount to about one thousand dollars per officer, which again seems very high. The history of this matter, the committee will remember, is that when the national defence

[Mr. R. B. Hanson.]

tax was imposed two years ago there was quite a battle staged in the house to bring about exemption from the tax for all the men in the active forces, in the navy, the army and the air force, but at that time the minister would not go the whole way. He taxed the officers and exempted those in the ranks, and that is why the act appears in its present form. I thought at the time, and I still think, there is too much of a tendency here to focus attention on the staff officers that we see around Ottawa. For every man you see here who is in a very nice spot—and some people think he is having a life which is too easy—there are a hundred out in the districts who are there ready to do a job, ready to fight and ready to die. I do not think it is fair to let our views be based entirely on what we see here in Ottawa. We must look beyond and see these men who are out in the various units.

Mr. ILSLEY: May I ask a question: Is readiness to fight, readiness to do one's duty in that way, a ground for relief from taxation?

Mr. GREEN: I think that the idea of the house two years ago was that these men who are prepared to die for us should not be subject to income taxes, and more particularly the national defence tax. That was the basis on which the house passed the exemption in 1940, and so far as I am concerned that still holds good. I do not think these men should be taxed even if it means a loss of \$20,000,000, and I think that is a very much exaggerated figure.

Mr. ILSLEY: What about the reserve army? They are prepared to die—

Mr. GREEN: The reserve army are in an entirely different category. They are serving only at night; they are not on a full-time basis.

Mr. ILSLEY: They are prepared to defend themselves and, if necessary, to die. Is that a ground for exempting them?

Mr. GREEN: They are in an entirely different position from the active army.

Mr. ILSLEY: They are different, but not on that criterion.

Mr. GREEN: Their pay is very, very small, at any rate. It is not a matter of their being forced to live on their pay, which really does not amount to anything at all. Some of them in the final result do not get anything. But I do suggest that no one wants to see the exemptions which are now in effect taken away, and if there must be taxation then let there be exemption up to