

Income Tax Act

almost two-fold increase in caseload. Imagine, Mr. Speaker, cutting turnaround times by well over half while almost doubling one's workload. At the same time veterans' claims are receiving far more thoughtful and considerate attention than was the case previously. Favourable decisions are running at over 50 per cent at first application, 60 per cent at first appeal and over 40 per cent at final appeal. This is the kind of generosity veterans have every reason to expect.

We also came to power with initiatives in mind and our legislative proposals have turned these initiatives into law. Widows of veterans no longer see the married rate of pension reduced within a month of the pensioner's death. Bill C-28 passed in early 1985, continued the married rate for a full year, thus giving the surviving spouse a chance to recover from his or her bereavement. The same principle was extended to exceptional incapacity and attendance allowance payments. Bill C-28 also settled once and for all the very legitimate complaint that veterans and veterans' organizations have raised with regard to the basic rate of pension.

It was always intended that the basic rate of pension, which is the rate payable to single pensioners whose disability assessment is 100 per cent, should be equal to the average take-home pay of four categories of public servants. Unfortunately, no mechanism was ever put in place to make sure the basic rate stayed in line with what these categories of public servants were receiving. The result was an endless circle of veterans falling behind, Parliament voting to raise the basic rate, veterans falling behind again, and on it went. We put an end to that by pegging the basic rate to the average wage I just mentioned while, at the same time, keeping veterans' pensions fully indexed. Veterans can now rest totally assured that the basic rate of pension will never again fall behind.

Action was also taken to remove a very discriminatory practice insofar as former prisoners of war were concerned. What was happening is that former prisoners of war were being denied any POW benefits if their disability pension was paid at the 100 per cent rate. Similarly, POW benefits were reduced if the payment of the full benefit, combined with the veteran's pension, would bring the total over the 100 per cent ceiling. This section of the Act caused hundreds of veterans to lose all or part of their compensation and it hurt the most severely disabled veterans the most. In fact, it was the Hong Kong POWs who were most affected by this unjust and inequitable measure.

Bill C-100, passed in March 1986, put an end to this discrimination. The legislation said plainly and simply that former POWs would receive all the compensation they were entitled to regardless of how much pension they were receiving. That legislation also acknowledged the fact that the Dieppe POWs were being unfairly compensated under the Act. Their compensation was increased from the equivalent from a 20 per cent pension to a 25 per cent pension.

This Government has always been active on the non-legislative side to assist veterans and their dependents. Eligibility for the Veterans Independence Program has been expanded four times since September 1984 and significant

improvements have been made in the quality and extent of health and medical benefits.

We have also raised the casual earnings and interest income exemptions for war veterans allowance recipients, to say nothing of the almost twofold increase in the amount of education assistance provided under the Children of the War Dead (Education Assistance) Act. More recently the Minister announced that an 11 year injustice done to Canadian veterans held prisoners in North Africa during the Second World War had come to an end. These veterans will be receiving prisoner of war compensation and it will be paid retroactive to 1976, the year they should have started receiving this benefit.

This Government has further initiatives in mind and announcements will be made in the coming months in that regard. Our record to date is one in which I take personal pride because no one fought harder than I did in the last Parliament on behalf of Canada's veterans. We as a country owe veterans a tremendous debt and they richly deserve the very best we can provide. Our Prime Minister and our Government very sincerely believe that, and we have proven our sincerity in word and deed for the past two and a half years.

The Hon. Member's motion has been drafted in exactly the same spirit and I commend him for it. For my part, I would be very glad to see the Hon. Member's suggestion given every consideration by the Minister of Finance, who has himself demonstrated a long standing interest and concern in Veterans Affairs.

[*Translation*]

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, the Hon. Member for Hull—Aylmer (Mr. Isabelle) is giving me the opportunity to pay tribute to the men and women of the riding of Lévis who have fought in the last wars. Many of them never came back from overseas. Therefore, I want to pay tribute to them as well as to their families and to those who are still living. Each year in November, I meet a number of them. I am pleased today to mention the dean of those former defenders of our country, Mr. Lévis Brochu, a citizen still very active in our riding and who took part in the First World War of 1914-18. He told me personally what life was like in the trenches at that time. Therefore, I pay tribute to Mr. Brochu who on every occasion and at every celebration of Remembrance Day manages to come and see me in order to explain what happened during the years 1914 to 1918 and during the subsequent wars.

The purpose of the proposal of the Hon. Member for Hull—Aylmer (Mr. Isabelle) is to give to former servicemen and veterans a unique status in terms of our tax system. That suggestion, I think, could have been made between the years 1965 and 1984, when the Hon. Member for Hull—Aylmer was a member of the Government in office, except for a short period in 1979.

The Hon. Member was also Parliamentary Secretary to the Secretary of State for External Affairs (Mr. Clark). He was also Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Epp) where he was in a privileged