

other words, if he has been employed for two years and this is his third year, he receives approximately \$150 a year increase in salary because he has been employed a bit longer. In addition, he receives the regular salary increase granted to public servants.

There is nothing in this bill to support that practice and, in fact, it is rather interesting to read the evidence in the other place, which shows that in the last 26 years the total increase for a 100 per cent disability pension is \$2,600, or \$100 per year. It is less than the increment granted to public servants. Here again I raise my objection.

Honourable senators, as in the past, I have very much questioned the idea that the same disability pension should apply to everyone. I have objected to that before. As a Legion member and as a member of the House of Commons I have objected, and now, as a senator, I still object, to the principle that the loss of a hand, for example, deserves so much money per month. Let us consider what the situation would be if the individual had been a musician before he entered the armed forces and lost his hand. Say he had made his living playing the piano. He could not play the piano with only one hand. Perhaps some of you do once in a while, but you would not attract much of an audience. And yet that individual is now reduced to the scale of an unskilled labourer.

I think of a personal friend of mine who, having his Bachelor of Science degree, applied to get into a faculty of medicine and was refused because he had been shot through the hand. He was refused his chosen career on that basis only. Honourable senators, do you know what you are doing for that chap under this bill? You are giving him \$19.60 a month. That is really something to wave a flag about and be proud of.

We have always boasted about the fact that veterans' pensions are free from income tax. It has been said that the level could be lower than the average wage earner's income because the veteran does not pay income tax. Well, clause 2 of the bill, on page 2, states:

Schedules A and B to the said Act are repealed and the following schedules substituted therefor, which schedules are based on the composite average salary—

Not the maximum average, you will note.

—as of October 1, 1972, after income tax has been deducted at the rate for a single man on the basis of income tax payable in the province with the lowest combined federal and provincial income tax—

And then it goes on to mention the lowest five categories in the Public Service.

Let us be honest with ourselves and with everyone else, and face up to the fact that the veteran is paying income tax on his 100 per cent disability pension, because this act states that it has already been deducted before he receives it. Moreover, all honourable senators know that income tax is taken off our pension, or rather our salary before we receive it.

Hon. Mr. Croll: We heard you the first time.

Hon. Mr. Phillips: Perhaps there is more truth in that than poetry, Senator Croll. At any rate, we do not turn round and pay on that again. So why should a veteran? Why not face up to the fact that the veteran is, in effect,

[Hon. Mr. Phillips.]

paying income tax on his disability pension. I should add further that the tax is deducted at the rate for a single person. I do not know how many pensioners are single or how many are married, but it would be an interesting comparison to make.

There is one other point I should like to mention before I fall victim to my own description of "Shawm," and that is that the various veterans' groups requested that this bill include what they call a standard-of-living clause such that when the five groups of public servants mentioned in the bill receive a wage increase, the same wage increase would apply to veterans' disability pensions. That clause is not in the bill, and I understand from veterans' groups that they accepted this point as a sort of mediation basis, and have made the Minister of Veterans Affairs very well aware of the fact that when these five groups receive an increase in wages the veterans expect the same increase in their disability pensions.

● (2040)

Honourable senators, I think this is only fair. I do not think any one will disagree with me if I say to the government that this chamber expects it to carry out the standard-of-living clause for our veterans. Thank you for your indulgence.

Motion agreed to and bill read second time.

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Carter: If honourable senators so desire, I would move that this bill be referred to the appropriate committee for study, but since this was not done in the other place I wonder if there is any need to do it here.

Hon. Mr. Phillips: Honourable senators, considering the futility of our committees in view of the July 1 deadline, might I suggest that we have third reading now.

Hon. Mr. Carter: I so move.

The Hon. the Speaker: Honourable senators, it is moved by Honourable Senator Carter, seconded by Honourable Senator Phillips, that this bill be now read the third time. Is it your pleasure, honourable senators, to adopt the motion?

Hon. David A. Croll: Honourable senators, before this bill is read a third time, I should like to take the occasion to say that I am feeling rather uncomfortable about it. I am in favour of the legislation, but I am somewhat troubled too.

When we talk about pensioners generally, I know that we try to be fair. When I was in the House of Commons I was a member of the Veterans Committee from the time I entered that house until the time I left. I helped write the charter. And as I sat here listening to Senator Carter, who has always been a strong advocate of the veterans' case, as has Senator Phillips, I remembered two young men who joined the army when I joined in 1939. I was 15 years older than they were—I was 40 and they were 25. Each had just got married. They joined the regiment, went overseas and were badly injured. One is now a paraplegic and both are in receipt of a 100 per cent disability pension. In Windsor