

Dr. Hodgson: Mr. Chairman, there has been no official statement at any time that pegged the pension in relation to any other single index.

Senator White: I presume the wages paid on the common labour market are all examined, though, are they?

Dr. Hodgson: Yes, they are.

The Acting Chairman: I am sure they will make a note of that, Senator Phillips.

Senator White: If we are through with the War Veterans Allowance Act, I would like to ask a question about the Pension Act.

The Acting Chairman: We are taking all three acts together.

Senator White: I would like to ask Dr. Hodgson as to the fact increase of 10 per cent. You will recall that the Woods Committee report said that the base should be the labourer in the Public Service of Canada. Have you any records as to the various wages paid labourers in various departments in the public service?

Dr. Hodgson: Mr. Chairman, the department does possess records. I do not have them here. It will be appreciated of course that the Woods Committee report made these recommendations, including a recommendation as to one possible base for pensions. There has been an action taken to confirm that that recommendation is an official policy. It is merely a recommendation.

Senator White: What is the official policy? Does it go back to the very beginning in 1918-19 that it was just the wages in the common labour market. Was that the yardstick?

Dr. Hodgson: The 1918-19 statement was made by an official, but it was not necessarily an official statement by a government. When at that time it was merely somebody's opinion.

Senator White: What do you take as your yardstick in making it 10 per cent? Why is it not 5 per cent or 20 per cent?

Dr. Hodgson: The Government took various things into consideration. It might be useful to note that between January 1968 and December 1970 the consumer price index rose by 9.8 per cent, which is almost exactly the amount selected as the pension increase. It might also be of interest to the committee to know that since 1964 the consumer price index has gone up a total of 27 per cent while during the same period pensions have gone up 40 per cent. In other words, the cost of living is only one of a number of considerations that affect the Government in making its decisions.

Senator White: Is it then correct to say that the basic pension is not tied to any other wage scale?

Senator Robichaud: Mr. Chairman, I move that we report the bills without amendment.

The Acting Chairman: We have a motion to report the bills without amendment. Is it agreed?

Hon. Senators: Agreed.

The Acting Chairman: Thank you very much.

The committee adjourned.

The Acting Chairman: I was just wondering if any cost estimates have been made recently for including them. We eliminated that 385-day clause, what would be the extra expense? There has been no estimate made on that.

Mr. Thompson: I have no knowledge of that.

Senator Phillips: What is the average age of World War II veterans?

Mr. Thompson: The average age of World War II veterans is 62 and the average age of World War I veterans is 70.5.

The Acting Chairman: I have one more question about application. I have come across a number of times. It applies mainly to troops who served in the Imperial Forces, and it applies to all Newfoundland veterans because they were part of the British forces. They receive the war veterans allowance and at the same time they have applied for a disability pension. This is usually a slow process with the British authorities, particularly if the first application is rejected, and there is an appeal. It sometimes happens that after a person has been on war veterans allowance for four or five years he suddenly finds that he has got a award from the British authorities of \$300 or \$1,000, and that represents an overpayment. It has been receiving the maximum under the War Veterans Allowance Act, the amount which comes in constant an overpayment. It is out of his control, but he has to repay this. Very often it causes a lot of hardship. I am wondering if anything is being done to alleviate cases like this, and to ease the burden on them.

Mr. Thompson: Mr. Chairman, the degree to which it would cause an overpayment would depend in part on when he received it in relation to his veterans allowance year. It gets rather complicated to explain, but the point is that if he receives it during his allowance year, it is not necessarily treated as any other piece of income received during that year, and has to be taken into consideration. There is no provision at the present time by which it could be treated any differently from any other money he would come by.

Senator Phillips: If I may, Mr. Chairman, I would like once more to emphasize the fact that unless the reports