

with an increase in the income ceilings from \$720 to \$840 per annum single and from \$1200 to \$1440 per annum for married veterans or widows with dependents.

Using this alternative formula, it had now been estimated that the total additional expenditure would be approximately \$9.2 million per annum. The additional number of recipients would be 6,490.

A second alternative would be to allow the same increase in basic rates (from \$50 to \$60 single and from \$90 to \$108 married) but to increase the allowable income ceilings to \$900 for single veterans and to \$1560 for married veterans. The total additional expenditure here would be approximately \$11.5 million per annum and the additional number of recipients would be 8,025.

An explanatory memorandum was circulated.

(Minister's memorandum, Nov. 30, 1954-  
Cab. Doc. 262-54).

4. In the course of discussion the following points emerged:

(a) It was suggested that the second alternative might be preferable as it might conceivably put an effective end, once and for all, to the numerous demands by veterans organizations for higher benefits under the War Veterans Allowance Act.

(b) It was argued, on the other hand, that, if the basic rate of benefit were increased as suggested by the Minister of Veterans Affairs, there did not seem to be any real need to increase the allowable income ceilings beyond the levels suggested in the first alternative (\$840 single and \$1440 married). It might be desirable, however, to fix the income ceiling for married veterans at \$1500 rather than \$1440. If this were done, it would be possible for a ten percent disability pensioner to receive his full pension without having his War Veterans Allowance diminished.

(c) Another possible solution would be to increase the basic rate for married veterans from \$90 to \$108 but to increase the basic rate for single veterans to \$55 rather than to \$60 as has previously been suggested. It could be argued in defence of this approach that the single recipient did not have as many responsibilities as the married veteran and therefore did not need

001738

RG 2, A5a,  
Vol. 2656

Privy Council Office  
Bureau du Conseil privé

National Archives of Canada  
Archives nationales du Canada