

in benefits including treatment and related allowances, and then comes the item of \$10,100,000 representing the increase in the pensions of veterans.

Senator SMITH (*Queens-Shelburne*): Mr. Chairman, do you have the information as to whether that increase is a flat 10 per cent across the board?

The CHAIRMAN: I will give you some of the examples that are set out here. I see that the figure of 10 per cent is mentioned. This reads:

The cabinet has approved the recommendation of the Minister of Veterans Affairs that the rates of pensions set forth in schedule A and B of the Pension Act be increased by ten per cent, and that the maximum attendance allowance provided under the Act be increased from \$1,800 to \$3,000 per annum. The legislative changes required to give effect to these increases are set out in the wording of this item.

That answers Senator Power's question. It is a 10 per cent increase across the board.

That, I think, covers all the items other than the matter of "Loans, Investments and Advances". This also does not represent an expenditure. It will be recalled that under the Canada Student Loans Act loans are made by banks to the students, and the federal Government guarantees the loans. The demand for loans has outrun the provision that was made, and therefore the Government has come back and asked for authority that loans may be made by chartered banks for a further amount of 8 million under a guarantee of the federal Government. I should point out to you that the original amount set out in the act was, I think, \$30 million. That was allocated under a formula by the provinces. Some provinces are exhausting or will exhaust the allocation to them and on the other hand other provinces will not take the full amount provided under the formula. Therefore this provision now being made of an additional \$8 million is not subject to a formula of allocation by provinces: it is in the nature of a floating amount that can be allocated where it will be needed.

Senator BURCHILL: The \$8 million is not shown here. It is just \$1.

The CHAIRMAN: It is \$1 as far as expenditure is concerned, because the Government is not expending any money in these estimates. The \$8 million is in the description. This is again an example really of legislation by the Supply Bill. Parliament has not authorized any amount to be guaranteed beyond the figure of \$30 million. This raises that \$30 million by \$8 million to \$38 million. It is not money that is being advanced or is being put out by the Government. It simply authorizes the banks to put out that additional money under the guarantee of the Government. Therefore it is legislation through the Bill of Supply instead of by a separate act of Parliament amending the Canada Student Loans Act.

Senator STAMBAUGH: Can you give us an idea of the amount put out that the provinces are taking advantage of?

Senator BAIRD: It is in the House of Commons *Hansard*.

Senator STAMBAUGH: We can get that, then.

The CHAIRMAN: The minister's statement says:

I am informed that since only two provinces, Ontario and Prince Edward Island, are likely to exceed the quotas provided for them this year, less than one-half of the foregoing authority is likely to be utilized. Nevertheless, it seems desirable to provide for a general increase rather than an increase which is confined to two provinces.

Senator STAMBAUGH: That practically answers what I was curious about. I see that students in Toronto said they did not want it.

The CHAIRMAN: I read that, too.