

employs about 200 people in Montreal and Campbellton, New Brunswick, and this is beyond expectations. As the situation continues to improve, it will become more and more interesting for potential buyers to take over the company. If and when it is sold, the government intends to use the proceeds from the sale to write-off the debt balance to the Crown.

Because of the limited liquid assets of the company, it has not been deemed advisable to recover the indebtedness until the present time.

When the company was government controlled, the department kept in close touch with the New Brunswick provincial authorities of concerning the future of the company which is an important factor in the industrial structure of the Northern part of this province. Provincial authorities continue to support the Federal government action in this matter and take part in the financial effort required for the smooth running of this firm.

● (2210)

[English]

VETERANS AFFAIRS—RECIPIENTS OF WAR VETERANS ALLOWANCES, OLD AGE SECURITY AND GUARANTEED INCOME SUPPLEMENT—PROVISION OF COST OF LIVING INCREASES

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, if we must get down to one last minister of the present government, I am happy to settle for the one who is here tonight, the Minister of Veterans Affairs (Mr. MacDonald). As the minister will recall, I put to him on Monday, December 10, 1973, as recorded in *Hansard* for that date at page 8562, this question:

As there are to be increases in January in old age security and the guaranteed income supplement on the one hand and in the war veterans allowance on the other, are the necessary steps being taken so that veterans who are on both will receive both and not have one set off against the other?

The next entry in *Hansard* is as follows:

HON. DANIEL J. MACDONALD (MINISTER OF VETERANS AFFAIRS): Mr. Speaker, those necessary steps are being taken.

A few weeks later, in fact on Thursday, January 3, 1974, as recorded in *Hansard* for that date at page 9010, I put this question to the minister:

Can the minister say whether the necessary steps have now been taken so that veterans who are receiving both old age security and the guaranteed income supplement on the one hand, and war veterans allowance on the other, will receive the cost of living increases that take place in both those payments this month?

The *Hansard* entry again is as follows:

HON. DANIEL J. MACDONALD (MINISTER OF VETERANS AFFAIRS): The answer is yes, Mr. Speaker.

Mr. Speaker, it seems to me that my questions on those two days were the ultimate in clarity. So were the minister's answers. I asked very clearly about the two separate cost of living increases that were to take place in January, one on old age security and the guaranteed income supplement, the other on the war veterans allowance. I asked the minister on both occasions if veterans receiving both of those benefits would get both increases, and on both occasions the minister's answer was yes.

In the meantime, on December 18, 1973, two orders in council were passed. They are companion pieces, one

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having to do with the Civilian War Pensions and Allowances Act, the other having to do with the War Veterans Allowance Act. I won't take the time, in fact there is not time, to give all the details of the order in council with respect to the War Veterans Allowance Act, but the effect of it was to raise the permissible income of a war veterans allowance recipient, who is 65 years of age or over, by a certain amount. The amount by which that ceiling was raised for war veterans allowance recipients, 65 years of age or over, was \$4.83 single, \$9.22 married. Those are the precise amounts by which old age security and the guaranteed income supplement were escalated in January, \$4.83 single, \$9.22 married.

The result of the order in council to which I referred is that veterans 65 or over who are on the war veterans allowance got a total increase in January of only \$4.83 if they were single, and of only \$9.22 if they were married. In these cases we are assuming that the wife is over 65 years of age as well.

But, Mr. Speaker, in January there was also an increase, due to the cost of living, in the war veterans allowance of \$10.13 single, and \$17.23 married. Veterans under 65 who are on the war veterans allowance got these increases. There is no question about it. The whole point of my remarks on December 10 and January 13 was this: I wanted to make a plea that I thought would be given a favourable response. I thought, this time, that veterans on the war veterans allowance and on the Old Age Security and guaranteed income supplement would get both. Somewhere in the cabinet, and I see the minister is the only one here to answer for the whole cabinet, is someone who frustrated the clear statement of the minister.

There is no doubt in my mind where the Minister of Veterans Affairs stands on this matter. I think he confirmed that when I asked him this morning if this matter is being reviewed. He said that it is, and I hope that even by now that review has got somewhere.

When you escalate, because of the rise in the cost of living, a person's income, you do not really do it if you escalate only part of that income. If the cost of living has gone up by 4 per cent or 5 per cent, and you escalate part of the income by 4 per cent or 5 per cent but do not escalate the other part, you have nullified the whole idea of escalating one's income according to the rise in the cost of living. If there is one group of citizens to which this ought not to be done, it is the veterans. I think the minister agrees with me. In particular, this ought not to be done to veterans who are on the war veterans allowance, or the burnt out pension.

I make a plea to the minister, Mr. Speaker. It is more than a plea; it is an offer of support. I think he needs support in that cabinet. His statement to me was as clear as could be, and yet the order in council does not back it. Advertisements that have appeared in veterans' publications make it clear that he has not been supported. I will be through after one more sentence, Mr. Speaker. I wish to assure the Minister of Veterans Affairs that in his continued review of this matter with his colleagues he has the support of all parties of this House for what he promised on December 10 and January 3; he said that those veterans who are over 65 are entitled to and should get both of