

*Government Orders*

He said: Mr. Speaker, I am pleased to address the House at second reading of Bill C-87, an Act to amend the statute law in relation to war veterans.

[*English*]

I am also delighted that the long-standing tradition of non-partisan, all-party support for veterans legislation is being continued today with the passage of this bill, hopefully at all stages. My critics, the member for Hillsborough and the member for Regina—Lumsden, have my thanks for their co-operation.

In a number of speeches this summer, but most particularly in June at the Dominion Convention of the Royal Canadian Legion in Vancouver, I gave veterans a preview of the direction I was heading with this legislation. The reaction to the types of changes envisaged was extremely favourable and this feeling was reinforced when veterans and their organizations had an opportunity to review the bill following first reading.

The preview I provided centred on three key areas. First, we are sweeping away decades of out-dated paternalistic and just plain clumsy approaches to the administered accounts. I think a word of explanation here is in order.

When veterans or their dependants are unable to manage their finances and have no one to assist them, Veterans Affairs will step in and provide the assistance. We are currently helping approximately 1,000 veterans and their dependants with administration of their veterans benefits. Efforts have been made to improve our system of administered accounts. Less than 20 years ago, some 10,000 individuals had their accounts administered by Veterans Affairs. Today, as I mentioned, we have only about 1,000 veterans and dependants in this category.

The changes reflect a significant turnaround in thinking, both at Veterans Affairs and in society at large. Simply put, our heart was in the right place, but nothing beats the help that can be provided by a caring relative or friend. They can give the added dimension that we just cannot. That is why we have made such a large effort to encourage veterans or their dependants to voice their own preferences for a third party administrator.

Nonetheless, we can only go so far with the current state of our laws and regulations on administered accounts. They are, as I have said, archaic. Bill C-87, which we are dealing with now, will enable us to give veterans

and their dependants, in the 1990s, 1990 service and that is a development all of us can applaud.

Let me provide just one example which is the second key element of this bill. For decades Veterans Affairs has followed ordinary banking practices with regard to administered accounts. The assumption has been that the accounts were like chequing accounts. A service was received and the cost of the service was provided through waiving interest on the account.

Well, times have changed. Financial institutions pay interest on virtually every type of account and Bill C-87 will permit Veterans Affairs to fall into line with modern practice. With the passage of this legislation, Veterans Affairs will pay interest on administered accounts effective January 1, 1990. The interest this year will amount to approximately \$3.5 million. That, Mr. Speaker, is the type of change I had in mind when I said that we want veterans and their dependants to receive 1990s service and treatment.

The third area I wish to highlight is related to the reform of the administered account system. The Royal Canadian Legion has proposed that, when a veteran whose account is administered by Veterans Affairs dies without a will or an heir, that veteran's administered funds should go into a special trust fund for the benefit of other veterans.

This is a proposal whose time has come. Bill C-87 will allow us to establish the special trust fund and help those veterans and dependants who are most in need. I can think of no better way for these unclaimed benefits to be used. The fund will truly exemplify the special bond that exists between those who fought side by side in Korea and the two world wars.

The amendment related to the trust fund and to administered accounts are the most significant measures in the bill. They are important, necessary, and good news items for veterans and their dependants, but there are other measures worthy of mention.

• (1550 )

First, we are proposing to remove an anomaly which denies benefits to widows or widowers. These are the surviving spouses of what is known as the Class 21 pensioners, those whose disability is assessed at under 5 per cent. These particular pensioners receive a lump sum rather than monthly payments, but nonetheless are entitled to receive a monthly attendance allowance if