

Mr. PUGH: A 3 per cent \$1,000 bond produces \$30 and, nowadays, 5 per cent produces \$50 a year. But, personal assets of \$2,000 automatically, in the old days, or during the war, at $2\frac{1}{2}$ per cent or 3 per cent, would produce \$50 there and then. That is why I used the word "ridiculous", and I wanted the basis.

Mr. GARNEAU: I was trying to explain. As far as I can understand, that was the idea—to encourage some veterans who may have had savings or money in their stocking, or something like that—keeping it at home or dormant in the bank, to purchase war saving certificates; and to give them encouragement to do it, they decided that \$25 of income from such investments—any investment; we called it investment income—would be exempt to the amount of \$25 a year. Now, that has not been changed since, and, personally, I do not see any serious objection to that, if the government is willing to amend the legislation to that effect.

Mr. PUGH: I have one further question. Personal assets up to \$2,000 would include cash and bonds; what else might it include?

Mr. BENIDICKSON: Is furniture included, and that sort of thing?

Mr. GARNEAU: No, nor anything like that; it is mostly the savings—or, it could be the value of a small property. A veteran might have a cottage or a little holding of some sort that we value at \$1,000.

The CHAIRMAN: Such as a leasehold?

Mr. GARNEAU: Yes. Well, when you put it that way, we do not make too clear a division as to exactly the readily negotiable assets—money in the bank, stocks, or anything like that; it is the overall value, you might say. We look at it from the standpoint of what might be the worth of the veteran in personal property or liquid assets—money in the bank, and so on.

Mr. PUGH: The chairman mentioned leaseholds. Do you mean by that—

The CHAIRMAN: Which would not be considered real estate.

Mr. PUGH: Do you mean that he was receiving income from it?

The CHAIRMAN: Rent.

Mr. GARNEAU: Rentals. A veteran might own a cottage worth, as I say, about \$1,000 or so.

Mr. PUGH: And he is not living in it?

Mr. GARNEAU: No, not living in it.

Mr. PUGH: Well, that explains it.

Mr. BENIDICKSON: Certainly something is wrong. Supposing you and I, a year ago—back in 1958—bought a \$1,000 3 per cent victory bond. We were offered another \$15. However, if a veteran in receipt of war veterans allowance at that time held a similar bond, he would get subsequently during the year another \$15, but that would be taken off the cheque that he had hitherto been getting at a rate of \$2 or \$3 a month.

Mr. ROGERS: I do not think the \$50 is any encouragement at all.

Mr. BURGESS: It is no better than the \$25, or scarcely better than the \$25 was before.

Mr. PUGH: As there is a personal restriction of \$2,000, it would seem to me that a veteran should be entitled to the receipt of any income that might arise from that \$2,000. Surely you can do that much.

The CHAIRMAN: Shall we pass on to section 8?

I would appreciate it if we could get through with these before the bell rings, in order that the Legion would not have to come back.