

Mr. Bosley: Both, Mr. Chairman. The minister indicates in his speech that the difference we are trying to resolve is an income difference, a maximum income award to those who have no other income and that a pensioner in receipt of OAS and GIS, and who then gets a WVA over that, is about \$70 a month more than somebody who is under 65 who therefore is not in receipt of OAS and GIS.

My problem is this, and maybe I can explain it this way. When you become 65 and start to receive OAS and GIS, you clearly receive more than \$70 a month OAS and GIS. What I am trying to find out is how does the difference only get down to \$70? I presume the answer is that OAS is counted now when you are establishing the eligible WVA with somebody who is over 65 in receipt of OAS.

Mr. MacDonald: Yes, the hon. member is right, it is counted. The \$70 he is referring to is really something of a slipback to the fellow below 65. The hon. member has really answered his own question. This is no longer going to be a problem. We have erased this today in our legislation. The fellow of 65 on OAS and other supplements receives a greater amount of money than his colleague or comrade under 65. With the legislation we will put through today, we will be erasing that. It will be on a comparative basis. I hope that answers the hon. member's question.

Mr. Bosley: I would like to ask the minister one last question. At some point in his speech he said, and I made a note, that he is talking about changing the regulations. Is he proposing to change the regulations to change the categories that are now exempt income? He said in his speech that he would be changing the category, that he would be changing the exemption with regard to OAS-GIS income.

I need to be clear on this because I have a large number of veterans in Sunnybrook in my riding. In practice, I understand that to mean the only change in the regulations will not be OAS, because it is already not exempt; the only change in the regulations would be to take GIS income, which has up until now been exempt, and to make it no longer exempt. That will be the only change in the regulations. Is that correct?

● (1720)

Mr. MacDonald: Plus \$2.88 OAS.

Mr. Knowles: I wonder if I could be helpful on that one point. I imagine that where the hon. member is confused is that he is thinking that maybe all of OAS or all of GIS has been exempt income. That has never been the case. The exempt income, which is now \$70, is an accumulation of several of these things which have gone through as increases either in OAS or GIS and which now add up to \$70. As the minister has just said, two dollars and some cents of OAS is exempt income, and this means that \$60 odd of GIS is now exempt income. These are being removed and the ceiling on the permissible income is being raised, so that in the end there will be no change in the net amount which veterans over 65 receive.

Veterans' Pensions

Mr. Towers: I wonder, Mr. Chairman, whether the minister would comment on the point I made earlier, that is to say, the discriminatory aspect of the pension program—the fact that married couples are discriminated against when the income of the wife is used to prohibit WVA being given to the husband, though if a couple were living common law the income of the wife would not affect the pension of the gentleman concerned. To my mind, this is wrong and I believe the rules should be changed because the present practice is most discriminatory.

Mr. MacDonald: Mr. Chairman, a husband and wife are treated as a family and their incomes are counted together. This can reduce WVA payments, as the hon. member indicated. What the hon. member is asking, I take it, is that the wife's income should not be counted. But, you know, income could be as high as \$50,000. So in these cases we apply the rule which applies to GIS.

Mr. Towers: It is certainly not that way in Alberta. We do not have war veterans wishing to receive war veterans allowance while their wives are receiving \$50,000. If this type of program is to be carried on, then at least the allowance when the wife is working should be increased. The present arrangement is not acceptable to me or to a lot of people who are caught in this situation.

Mr. MacDonald: The problem is an understandable one and it is one which we face in many cases. Any time we can do what we feel is fair, we certainly do it. Some of these people do receive quite high incomes and it is hard to get money and carry out the program in a way which is fair to all veterans. However, I shall be pleased to consider any suggestions the hon. member may care to put forward.

Clause agreed to.

Clauses 3 to 13 agreed to.

On clause 14—*Pensions to widows of certain members.*

Mr. Knowles: Mr. Chairman, as I indicated when I was speaking at the second reading stage, I should like to move an amendment to clause 14. There are a number of subclauses in it, and so on. My hon. friend across the way wondered if I could move an amendment which would be in order. It is our undoubted right in this chamber to vote against anything brought before us—to vote against a clause or against a portion of a clause—and that is what I propose to ask the committee to do.

I do not propose anything new. I simply propose we be given the chance to vote against clause (3.2) at page 11 of the bill. If this is approved, if we strike out lines 14 to 31 at page 11, then, of course, the whole clause is left with its provision coming into effect on October 1, 1980. That provision is already in the bill on page 10 where the reference is to the rates set out in clauses 12 to 20 of schedule A. If it were not for this redefinition of what clauses 12 to 20 mean, everything would be fine; it would be in effect from October 1. I might say that those references to clauses 12 to 20 are to columns in the schedule which specify the different pension rates—45 per