

**Hon. Chesley W. Carter**, with leave of the Senate and notwithstanding rule 44(1)(f), moved the second reading of the bill.

He said: Honourable senators, I am very pleased to have the opportunity to introduce Bill C-202, which has as its purpose the improvement of the lot of those veterans who were disabled in the service of their country and of the lot of their dependants. There is no need to remind honourable senators of the sacrifices which were made by the hundreds of thousands of men and women who served in Canada's armed forces during World War I, World War II and the Korean War, also by members of the Canadian Forces who have served in peacekeeping operations in many troubled spots around the world. There is, therefore, an obligation on the part of the government and the people of Canada to provide compensation to those members of the armed forces who have been disabled and to the dependants of those who have died as a result of military service. In fulfilment of this obligation, Parliament has enacted a body of legislation commonly referred to as the veterans' charter, which is generally recognized as some of the most enlightened veterans' legislation to be found anywhere in the world.

Honourable senators will recall that just over two years ago the Pension Act was completely revamped, providing many new and greater benefits to disabled veterans. At the same time the machinery for adjudicating pension claims was restructured in a way that ensured that every claim would receive maximum consideration. Bill C-202 is another important step in that direction, because for the first time it establishes as an accepted principle that the basic rate of a totally disabled pensioner should be related to the rates paid to unskilled employees in the Public Service. It also embodies a formula by which the basic rate is to be determined.

● (2010)

This is something that veterans' organizations have been requesting for many years and much of the credit for its final realization belongs to our esteemed colleague Senator Arthur Laing who, when he was Minister of Veterans Affairs, directed senior officials of the Canadian Pension Commission and of the Department of Veterans Affairs to form a joint study group along with representatives of veterans' organizations to consider the entire question of pension rates.

The report of this joint study group was tabled in the House of Commons on January 31, 1973, and referred to the Standing House of Commons Committee on Veterans Affairs. The committee considered the report and endorsed its recommendations.

Bill C-202 is based on that report and it achieves the following four objectives:

(1) It raises the basic rate of pension for a single 100 per cent disability pensioner so that, exclusive of any additional allowances he may receive, his basic rate would be \$4,704 per annum. This is an increase of 34.2 per cent, or \$100 a month more than the previous basic rate established in 1971. However, because there have been increases related to the consumer price index in January 1972, and again in January 1973, the actual percentage increase over the current rates being paid is 24 per cent. In terms of dollars it provides an increase of \$910 a year in basic rate to the

100 per cent pensioner over what he received after the January 1973 adjustment. This does not take into account any additional allowances to which he may be entitled.

(2) It raises disability pension rates for lesser degrees of disability by the same ratio.

(3) It defines that these rates are based on the average composite salary of five categories of unskilled employees in the Public Service after income tax has been deducted in a manner set out in the bill. At the same time the principle that the pension itself is not taxable is continued.

(4) It provides an established relationship between the basic pension and the pension payable to a widow, or on behalf of a wife and children, or for other dependants at set percentages so that in future years when there is a change in basic rate for the disability pensioner, the rates for these dependants can be adjusted in accordance with the established percentages.

As honourable senators can see, Bill C-202 is extremely simple, consisting only of three clauses and two schedules, schedule A and schedule B.

Clause 1 deals with discretionary payments by the Pension Commission to dependent parents, and the only changes in this section are changes in figures. The amount of discretionary payment is listed as not exceeding \$1,050 per annum as compared with \$804 per annum in the present law.

Subclause (2) of clause 1 has to do with those cases where a deceased veteran leaves more than one dependant parent. Here the figure has been increased from \$384 in the act as it now stands to \$501 per year in the proposed amendment. The only changes have to do with amounts that may be paid, and these have been increased in line with the percentage increase in the new proposed schedules.

Clause 2 sets forth the principle of basing pension rates for 100 per cent disability pensioners on the rates paid for unskilled labour in the Public Service of Canada. It also sets forth the five categories included in the formula by which the basic rate will be determined.

Clause 3, to be found at the bottom of page 5, stresses the urgency of getting this bill enacted into law before the end of this month. Should this bill not receive royal assent before July, then it will not come into effect until August 1, and veterans and their dependants will be deprived of the increases for the month of July, which total some \$4 million.

Schedule A sets forth the scale of pensions for disabilities, showing the basic pension for the veteran and the additional pensions for wife and children. Schedule B sets forth the scale of pensions for widows, dependent parents and orphans.

Honourable senators, I have prepared a brief table showing how the proposed schedules A and B compare with the schedules in the present act and with the annual rate now being paid. To save time, I would ask that this table be taken as read and inserted in *Hansard* at this point.

**The Hon. the Speaker:** Is it agreed, honourable senators?

**Hon. Senators:** Agreed.