

### *Pensions*

write a lot of letters to explain to veterans why that was not done, and there is no satisfactory explanation.

I am told that one of the saw-offs in respect of the effective date is related to the fact that the amount veterans will receive under these rates will be higher than they would have received under the recommendation by the joint study group and that, therefore, in 1973 they will get more this way than if they had the lower rate retroactive to April 1. That is not really an answer because time goes on even beyond the end of 1973.

I noted, as did the hon. member for Norfolk-Haldimand, that the figure arrived at as the composite from the five groups set out in the bill is somewhat higher than the figure given in the report of the joint study group. That sounds like generosity on the part of the government. We have not had that explained, and maybe the Minister of Public Works will explain it while we are in committee of the whole, but I suspect the reason for that is that there has been a reduction in income taxes since the joint study group made its report at the end of 1972, and that it is because of that reduction in income tax that the net figure to be recommended for veterans is that much higher.

At any rate, we regret the lack of retroactivity in the bill but we do not want to postpone any longer the day when these new rates will come into effect. We want them to be effective in July and that is why we have agreed to put this bill through all its stages today.

Debates on veterans affairs are always debates in which we have as little confrontation as we can because we are agreed and anxious to do the right thing. It is nice to have the Minister of Public Works back with us in a veterans affairs debate. This is a way of saying I dislike having to quarrel with him, but I do quarrel with one statement he made. Perhaps I should put it this way: I am going to correct it for him. He said the new rates represent an increase of 34.2 per cent over the former rates.

If one looks at the act and at the schedule that is now in it, he will see that it provides for the 100 per cent basic rate to be \$3,504, compared with the new rate of \$4,704. He is correct; that is an increase of 34.2 per cent. In the meantime, however, that figure of \$3,504 per year has been increased by effect of the escalation clause, so that the 100 per cent rate today is actually higher than the \$3,504, being at or near \$3,793. This means that the figure now being brought into effect by this bill, while it is 34.2 per cent higher than was put in the act when it was last amended a few years ago, is only 24 per cent higher than the amount veterans are now actually receiving.

I stress this point, not just because I want to argue with the minister but because I think it would be a disservice to veterans if they read in the newspapers that their pensions are going up by 34 per cent. They will all start to do the arithmetic. They will know what they are now getting and will increase their present pension by 34 per cent and assume that is what they are going to get, but that is not so. What the average veteran who is on war disability pension must do is add 24 per cent to what he is now getting, and that is the amount he will get commencing July 1.

This is better than the 19.6 per cent the veteran would have got on the basis of the figure contained in the report

[Mr. Knowles (Winnipeg North Centre).]

of the joint study group, but let us not mislead our veterans with the notion that in July they are going to get 34 per cent more than they are getting at the present time. The actual increase over what they are now getting is in the order of 24 per cent.

**Mr. Dubé:** On a point order, Mr. Chairman, I believe the hon. member is correct, but that I am not wrong. What I hope I said was that pensions will be increased by 34.2 per cent over the basic rate established in 1971. However, the hon. member is correct in saying there have been raises since that time. The actual percentage increase from the last raise is 24 per cent but both these figures, 34.2 per cent over the basic rate and 24 per cent over the most recent raise, compose I believe the most important and the largest boost ever given to veterans pensions probably anywhere in the world.

• (1610)

**Mr. Knowles (Winnipeg North Centre):** I thank the minister for his interjection. He has confirmed the point I was making. I quite agree with him that the increase is 34.2 per cent over the figure established in the act a few years ago. I do not wish to take away from that. As the minister has stated, it is a considerable boost. However, I do not want veterans to be misled by reports in the press to the effect that they are now getting an increase of 34 per cent over their present rate.

With the interjection of the minister we have now taken care of that. Any reports will tell veterans what is really the case, that is, that in their July cheques—I hope it will be in the July cheques—there will be 24 per cent more than they are now receiving. I join in the statement the minister just made that this is a substantial and worthwhile boost. It will not be as helpful to some of those on lower rates as they would like it to be. I think, of course, of those whose pensions are so little that they are on the war veterans allowance. There is a ceiling which will deny them any increase at all, but that is another problem which we will get at the next time we have the War Veterans Allowance Act before us. I join the minister, the hon. member for Norfolk-Haldimand and others who might follow in saying that we are glad the bill is before us this afternoon. We shall be happy to see it pass today, so that it can become law just as soon as possible.

**The Assistant Deputy Chairman:** In order to set the record straight, as previously unanimously agreed, the Chair did not see the clock at four o'clock.

[*Translation*]

**Mr. Gérard Laprise (Abitibi):** Mr. Chairman, as often happens at the end of each session, we have before us Bill C-202, An Act to amend the Pension Act, aimed at increasing veterans' pensions, which has been presented to us at the last minute or the eleventh hour.

Yet we are told, I believe, that if we do not pass this bill immediately the veterans will be deprived of their pension increase for July; they would thus lose a full month's increase.

Mr. Chairman, I believe that this bill could, and should have, been brought before Parliament much earlier; it could have been submitted in April, and the veterans