

long as I have been here. Frankly, there seemed to be no progress at all until proposed legislation about a year ago when I asked the staff of DVA to prepare Bill C-28.

At this time I would like to express my gratitude to the staff of the Department of Veterans Affairs. I can tell the minister that he has an excellent staff. They accepted the change in government in a purely professional manner. I only suggested a method of getting around the 48 per cent rule that would base the survivor's pension on the amount of the disability pension. That seemed to free up the log jam which resulted in nothing having been done about the bill before. The staff worked on it with a will. They thought up new ideas on their own. I was very pleased with the bill that came in.

Quite frankly, I think there are some improvements in this bill, but there are a couple of things that I do not think are improvements. Bill C-28 was given first reading in this House on December 6 last year. There was an understanding in the House that it would be passed before Christmas. However, for some reason which absolutely baffles me, the NDP presented a motion to the House which the Liberals found irresistible. It was a chance to defeat the Conservative government. I talked to an NDP member about this today. I was told it was a chance to bring in a motion which the Liberals would vote for. They thought if they brought in one like the Regina manifesto, the Liberals would vote against it. I said: "Don't fool yourself, they would vote for Satan himself in order to get back into the treasury benches".

That bill died on the order paper because of the defeat of the Conservative government on December 13. I find it hard to believe that the hon. member who worked hardest of anyone in this House, the hon. member for Winnipeg North Centre (Mr. Knowles), to get justice for pensioners should have seconded the motion that killed this bill on the order paper. That hon. member seconded the no confidence motion.

Today history is repeating itself. Only a few minutes ago the same gentleman seconded another NDP motion that would have adjourned the House today. The minister came out of hospital to appear here today for the consideration of this bill. I could hardly believe my ears a few minutes ago when I heard the hon. member for Vancouver-Kingsway (Mr. Waddell) move that the House adjourn this afternoon to discuss something else, and was seconded by the hon. member for Winnipeg North Centre.

**Mr. Knowles:** On a point of order, Mr. Speaker, surely the hon. member realizes that the motion moved by the hon. member for Vancouver-Kingsway (Mr. Waddell) was for a debate on an adjournment motion which, had it been granted, would have taken place at eight o'clock this evening. It would not have interfered with this afternoon's debate.

**Mr. McKinnon:** I appreciate, as I always do, advice on the rules of procedure that the hon. gentleman provides.

The major issue, as I see it, has to do with the 48 per cent rule. We should look at what it does to widows. Had our bill been passed, payment would have commenced on April 1. With Bill C-40, it is payable October 1. Some 15,000 widows

have been without it since April 1 and will remain so until October 1 because the government formed by my party was defeated on an NDP motion.

● (1600)

It must weigh heavily on people with a social conscience that there are 15,000 widows who are not receiving a pension which this House obviously feels they are entitled to. I am sorry the minister appears to have been unable to find the money to pay the widows retroactively. When our estimates were turned in I was informed by a very competent staff that there were sufficient funds in the estimates to pay that bill. It may be the minister has decided to put the money somewhere else. I notice he took quite a bit of credit for putting it into war veterans allowance.

I do not wish to take too much time. There are several complex changes within the war veterans allowance but mainly it can be summed up in this way: Those under age 65 drawing war veterans allowances will receive an extra \$10 a month if single and an extra \$12 a month if married. This is fine for a start, but there is another part to it. Those over 65 will find that their guaranteed income supplement payment, for the first time in our history, will be considered as income; it will not be considered exempt income, as heretofore. Up until now the guaranteed income supplement has always been considered exempt income in the case of war veterans allowance recipients aged 65 or over. So this is a benefit the aged veterans will lose.

It appears to me that over the course of time this will amount to quite a bit of money and hon. members will find that the bulk of veterans are going through that age now. I have some figures here which show that practically every veteran who is eligible is between the ages of 50 and 65. There are a few over 65 at the present time, some 90,000 but in the age group 55 to 59 we find 264,000 out of a total of some 900,000.

The people who will benefit from this legislation, as can be seen quite quickly, are those in the 55 to 65 age bracket. The minister has told us, suggesting a kind of quid pro quo, that people under 65 will be getting more benefits and people over 65 will get less. To balance it, those who will be aged 65 in a very short space of time will represent the vast majority of veterans and they will get less than would have been the case if they had been left alone with the guaranteed income supplement being considered as exempt income. This is not the impression which the Minister of Veterans Affairs (Mr. MacDonald) gave when he was asked on June 3 by the hon. member for Winnipeg North Centre:

Madam Speaker, does the statement just made by the Minister of Veterans Affairs (Mr. MacDonald) mean that the \$35 increase in the guaranteed income supplement will be treated as exempt income under the War Veterans Allowance Act, so that the recipients of war veterans allowance will not have their allowance cut back by virtue of the \$35 increase?

The minister replied:

That is what I was indicating, Madam Speaker.

We find today there is quite a difference. It is going to be counted as income for those over age 65. This is the way I read