

Income Tax

every aspect of the War Veterans Allowance Act, interest income included, of course. Admittedly, some changes to the legislation can be made by amending regulations. The Minister is hopeful that he will be able to announce some positive changes in the near future, however any change to interest income exemptions cannot be accomplished through regulations. The Minister appreciates the attention the Hon. Member for St. Catharines is giving to this subject, but the Government cannot support his motion because of its limited nature.

I ask the Hon. Member to have patience and await the conclusions of the War Veterans Allowance review. I am sure he would agree that it would be wiser and more efficient to await broad, long-range recommendations to ensure that when the Government makes changes to the Act they will be consistent, comprehensive and fair.

Mr. Neil Young (Beaches): Mr. Speaker, this motion is being brought before the House at an appropriate time. It is one that we in the New Democratic Party fully support. The Government has introduced numerous amendments to the Income Tax Act which are being considered by the House. Unfortunately the proposed motion of the Hon. Member for St. Catharines (Mr. Reid) is not one of those amendments. I hope the Government will include it at the conclusion of this debate. Since hearing the remarks of the Parliamentary Secretary to the Minister of Veterans Affairs (Mr. de Corneille), I doubt very much that that will happen today, if indeed it ever happens.

As the Parliamentary Secretary pointed out quite correctly, a number of representations by interested individuals have been made to the Minister of Veterans Affairs (Mr. Campbell) over the years in support of such an amendment to the Income Tax Act. I think it would be supported by all Canadians. Why the Government would be reluctant to introduce it escapes me. Why should veterans, who have given of themselves in the service of our country, be treated differently from other Canadians with respect to income tax deductions?

The Parliamentary Secretary also said in effect that because all Canadians can take advantage of the income tax deduction on interest income, veterans are not in fact being discriminated against. However, what he failed to point out was that while the Government on one hand allows veterans to take advantage of that Section of the Income Tax Act, it takes it back with the other hand because it is taken off the top of the War Veterans Allowance.

The motion of the Hon. Member for St. Catharines is really a rather simple one. It reads:

That, in the opinion of this House, the Government should consider the advisability of increasing veterans' income tax deductions for interest income from \$100 to \$1,000 annually, so that veterans would not suffer depletion of their War Veterans Allowance after earning more than \$100 in interest income and so that they would be taxed on an equitable basis with other investors.

If the House does not give the motion the serious consideration which is requested and indeed fails to adopt it, we would be agreeing to continuing an obvious discriminatory practice against the veterans of our country.

As the Hon. Member for St. Catharines pointed out, the Government has been promising to review this particularly offensive Section for some time. The Parliamentary Secretary has told the House that the whole War Veterans Allowance including income interest is under review again this year. I found this rather curious because, on the one hand, he pointed out to the House at great length that there was no problem, and on the other hand he said that there was a problem and that the Department was reviewing it. We recognize that.

For many years veterans, at least the ones with whom I have spoken, have pointed out on numerous occasions that one of their major problems with that particular Department was the processing of claims. Since becoming a member of the Standing Committee on Veterans Affairs at practically all the meetings I have attended it was indicated that the major problem of veterans with the Department was in the area of processing and adjudication of claims. The delays, as a result of either that Department's tardiness, lack of staffing or physical movement of buildings around the country, have created tremendous problems for many veterans. The Department has assured Hon. Members of the House time and time again that this would be rectified and that it was not as bad as it was one, two or three years ago. Yet the bulk of correspondence I receive from veterans who still complain about undue delays in processing claims has not decreased in volume. The volume seems to be about the same, if not on occasion larger.

It is a question of how the Department views veterans. For example, the Hon. Member for Burnaby (Mr. Robinson) brought to my attention a problem of one of his constituents who was married to a veteran who unfortunately because of his war experience came out of active service as an acute alcoholic. This individual had attempted to obtain a war veterans pension as a result of that illness. The Department's position, which totally escapes me, gave the following rationale for denying War Veterans Allowance:

—alcohol dependency . . . without associated organic disease is not a disease within the meaning of the Pension Act. However, should alcohol dependency lead to organic, physical and/or mental changes, the resulting organic disorders would constitute diseases . . . and, as such, would be considered by the Commission for pension purposes.

I have spoken with numerous doctors and professionals in the field who work with alcoholics. These people have told me that alcoholism is in fact a disease. For the Department of Veterans Affairs to be relying on a very out-dated notion of what alcoholism as an illness constitutes is really beyond belief. I see the Hon. Member for Oxford (Mr. Halliday) looking at me. Both of us served on the Special Committee on the Disabled and the Handicapped. We heard many professionals tell us that alcoholism was a disease and not, as it used to be considered, a character flaw in the individual which caused him to consume too much alcohol.

● (1650)

My suggestion to the Department of Veterans Affairs is that it had better come into the twentieth century when it takes a look at the problems individuals who have been in the Armed