

suggested that if we agreed to put this bill through all stages it would seem sensible to waive private members' hour for today and the private member's motion could come up at the next private members' hour. Either that or we will be sitting here until 5.30 or six o'clock.

**Mr. Lefebvre:** That would be agreeable to us, Mr. Chairman.

**Mr. Knowles (Winnipeg North Centre):** May we just leave the matter, Mr. Chairman, and decide when we finish this bill. If there are 40 minutes left for private members' hour, perhaps we could take it; if the time is down to 20 minutes, perhaps we should forget it.

**The Assistant Deputy Chairman:** Is that agreed?

**Some hon. Members:** Agreed.

**Mr. Knowles (Winnipeg North Centre):** Mr. Chairman, it is always a pleasure in a debate on veterans affairs to follow my namesake, the hon. member for Norfolk-Haldimand. I should like to endorse what he said, particularly our desire to see the bill through all remaining stages in the House of Commons this afternoon, despite the fact that we would have liked to be in the position of moving or at least pressing for certain amendments to the bill.

As has been pointed out, this bill is based on the recommendations contained in the report of the joint study group on the basic rate of pension. I remind the members of the House that the Standing Committee on Veterans Affairs also gave its unanimous endorsement to that report, and for the most part what was recommended is now before us.

The hon. member for Norfolk-Haldimand pointed out, however, and it was admitted by the Minister of Public Works, that this bill is deficient in that it does not carry forward the recommendation that future escalation of war disability pensions be geared to increases in the wage rates of the five categories in the public service that were named in the report and that are named in the bill. I appreciate the concern expressed by the hon. member for Norfolk-Haldimand that in this particular bill there is no reference to any kind of escalation. However, I remind him that this is simply an amending bill.

● (1600)

These new rates are put into the main act, and in the main act there already is a section which provides for annual escalation on the basis of the cost of living. Therefore, in 1974 and 1975 there will be an automatic escalation of the rates that are being established by this amending bill.

However, our complaint is that the escalation will be only to the extent to which the cost of living rises and will not be related to the rise in the rate of wages or, as we sometimes put it, the rise in the standard of living.

I believe it was a red-letter day when the joint study group recommended this kind of escalating formula, and I believe the proposals it made in its report are proposals which not only commended themselves to the Standing Committee on Veterans Affairs but should have been accepted by the government. Indeed, I should like to read

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paragraphs 36 and 37 of that report. Those paragraphs are as follows:

The study group was very much aware of the beneficial results of the recent legislative changes which tied pension to changes in the consumer price index. This amendment will ensure that the pensioners' purchasing power will not decrease as a result of increases in cost of living.

It was noted, however, that it has traditionally been stated that the pension should provide the standard of living which the average unskilled man could command for himself and his family. This relates to standard of living as reflected in wage rates rather than merely to cost of living. Traditionally wages increase at a greater rate than living costs. It would seem readily apparent to the study group that these veterans should be permitted to join in the standard of living available to other Canadians, and should not be restricted to relating future increases in pension to the cost of living today. By their service and sacrifice they have earned the right to enjoy the standards which working Canadians have as a matter of course.

It was on the basis of that reasoning that the joint study group and the Standing Committee on Veterans Affairs recommended that increases in the war disability pension should not be restricted just to the rise in the cost of living, which is already in the act, but should be geared to the rise in wage standards or, as we put it, to the rise in the standard of living.

I should like to join in the tribute that has been paid to the Minister of Veterans Affairs for the effort he has made to get this bill before us. I suspect the delay is due to the fact that he has had trouble trying to get the cabinet to accept that principle. I am satisfied he fought hard for it, and I am sorry he lost, but in the circumstances it would be irresponsible on our part to delay the bill because it has not got that clause in it.

I am glad that there is a clause in the bill which names the five categories in the public service on the basis of which the new figure has been arrived at. At least this puts us in the position that, if nothing is done about this in the next two or three years, we will be able two or three years from now to point out that the Pension Act says that the pension rates are related to the wages in these categories, but that the pensions have not kept pace with that level of wages if, as is likely to be the case, wage rates continue to go up faster than the cost of living.

So we accept the bill as it is because we want to get it through. I can tell the minister and the government, however, that they have not heard the last of the recommendation that veterans pensions should be geared to the standard of living and not just to the cost of living.

Another shortcoming in this bill has to do with the date on which the new rates will commence. Again, if by holding it up we could get the government to move an amendment for an earlier date we would be tempted to do so, but we must not delay the bill in vain. This bill must get through today so Their Honours in the other place can deal with it next week and we can have royal assent not later than next Friday.

I regret there is no retroactivity in this bill. With war veterans allowances having been increased effective April 1, I think it is fair to say that most veterans in this country took it for granted that the date on which war veterans allowances were increased would be the effective date for increases in the basic rate of the war disability pension. I am very sorry that is not there. We are going to have to