

Pension Act and Other Acts

I now come to the third item I talked about on Friday. As we reached the end of government time on Friday, I was trying to get the minister to nod his head in connection with some statements I was making. His head seemed to be pretty stiff at the time. It did not go up or down. Fortunately, it did not go from side to side either. Your Honour then called it four o'clock. I realize I may have put questions to him that could not be answered with a simple yes or no. I want to go a little further into this question of what is being done with regard to the situation that obtains where a veteran is receiving old age security, the guaranteed income supplement and the war veterans allowance.

I repeat that we are pleased that the minister has said extra money will not be given with one hand and taken away with the other. Veterans have the right to fear that is what will happen because it has happened on several occasions in the past. In recent years, when there has been an increase in the guaranteed income supplement of \$1, \$2 or, as was the case in the month of April, \$2.70, the Department of Veterans Affairs has made sure that what was given with one hand was not taken away with the other. However, when there have been more substantial adjustments, there have been changes in the ceilings with the result that what was given by the Department of National Health and Welfare was taken away by the Department of Veterans Affairs.

I may also say that the actual result, particularly in the changes that were made a little over a year ago, was a narrowing of the advantage that War Veterans Allowance recipients previously enjoyed over the civilian population. Our veterans are quite justified in fearing that will happen again. The minister said quite clearly that this will not happen and that there will be an order in council to ensure that what is given to the veteran under the guise of the guaranteed income supplement will be added to his total, not given with one hand and taken away with the other.

I think the minister agreed with me the other day that as far as Bill C-208 is concerned, all it does in this regard is provide that the maximum income ceiling set out by statute will go up by the amount the allowance is increased as a result of the 3.6 per cent escalation. As I pointed out the other day, 3.6 per cent of \$121, which is the maximum war veterans allowance for single recipient, is only \$4.35, and 3.6 per cent of \$201, which is the maximum war veterans allowance for a married recipient, is only \$7.23. If the single veteran is given an additional \$4.35 on his allowance and what is in this act applies, that is the only advantage he will get. But the minister made it clear, and I hope this is a commitment that will be carried through without delay, that the amount to be received as guaranteed income supplement will be exempted from the ceiling imposed by the War Veterans Allowance Act, even as amended by this escalation.

• (1550)

Let me deal with this in terms of actual situations. There are no veterans over the age of 65 who get \$121 a month in war veterans allowance if they are single, or \$201 if they are married. Any veteran who is over 65, and who is drawing an old age security pension, has been told in a very effective manner by the War Veterans Allow-

ance Board to apply for the guaranteed income supplement. Varying amounts are paid, but the standard case, of which there are thousands of examples, is this: a single veteran is drawing \$80 a month as old age security fund and \$55 by way of guaranteed income supplement—except that this has now gone up by \$2.70. He is therefore drawing only \$26 by way of a war veterans allowance. That is all. This brings him to a total of \$163.70, that is, \$161 under the Act, plus \$2.70 because the guaranteed income supplement was escalated in April by \$2.70. The point I am making is that the average single veteran is not getting \$121 in war veterans allowance; he is getting only \$26, and 3 per cent of \$26 is only 93 cents. So the increase a single veteran will get in his war veterans allowance amounts to 93 cents.

Some hon. Members: Shame.

Mr. Knowles (Winnipeg North Centre): He will also get \$15 a month in his guaranteed income supplement. This makes it extremely important that the \$15 be exempted from the ceiling. In the case of the married veteran, the picture is that he and his spouse are getting \$160 in old age security payments, \$95 by way of guaranteed income supplement, plus the \$5.40 by which the supplement was increased in April plus \$16 in war veterans allowance. That is the picture for thousands of veterans. So veterans get an allowance under the Act amounting to \$26 if they are single, and \$16 if they are married. I have already pointed out that 3.6 per cent of \$26 is only 93 cents. Well, 3.6 per cent of \$16 is only 57 cents. It is a strange situation when, under the terms of the War Veterans Allowance Act, the increase granted to a married man will amount to only 57 cents, as opposed to 93 cents a month for a single veteran.

An hon. Member: Shame.

Mr. Knowles (Winnipeg North Centre): Thus, it is clear that the real advantage to most war veterans on the allowance will come not through the legislation that is before us but by way of Bill C-207 which is in the name of the Minister of National Health and Welfare (Mr. Munro). This situation exists because of the action taken by the War Veterans Allowance Board in directing veterans to apply for the guaranteed income supplement. If this had not been the case, and if veterans were drawing more by way of veterans allowances than they are presently drawing, the 3.6 per cent would work out to a larger amount. In other words, the minister has inherited a number of problems because of the way in which these arrangements have been handled in the past. It is an omelet which will be hard to unscramble.

I ask this question, hoping for an answer at some point during this debate. When the order in council is sought and a certain amount of money is allowed as an exemption above the statutory ceiling, what will the amount of that exemption be? I assume the exemption will go up. Will it go up by \$4.35, which is 3.6 per cent of \$121 even though the average veteran is not getting \$121, but only \$16? I think it will, because of what is said in the statute. But what about the rest of it? Does it cover the 93 cents? Does it cover the 57 cents? And what about the fact that these increases, when they take place, will be built on a