

Adjournment Debate

changes in procedure, to a tax grab by the Government and to a number of individual cases he has referred to the Minister. Let me take the latter matter first.

To be perfectly fair, the Hon. Member sent in some of the cases in late April. To deal with them it is necessary to obtain the files of the individual taxpayers concerned from our offices in British Columbia, and then subject each file to the kind of thorough analysis I am sure he would wish to have them given. In fact, some of the cases came to the Department only with the Hon. Member's letter of May 26, hardly two weeks ago. He should not, therefore, be surprised that the analysis is not yet complete. But he will have the Minister's reply as quickly as possible.

He has spoken of fairness. I wonder why he considers it fair to have some people with a preference for living in a rural environment claim what are really living expenses as if they are the expenses of running a farm. Let me emphasize that when the Hon. Member refers to the disallowance of farm losses under Section 31 of the Income Tax Act, he is at best only partly correct. That Section deals with the situation of a farm as a business, and the question of whether the taxpayer may be allowed limited losses of up to \$5,000 or losses without limit. In both cases, whether the allowable losses are required to be limited or not, it has to be a farm as a business; that is an enterprise carried on with a reasonable expectation of profits.

In many situations Section 31 is not at issue at all. The claimed losses cannot be associated with a business since there is no reasonable expectation of profit. The losses are therefore disallowed because they are personal living expenses and the Income Tax Act specifically denies allowing them as deductions from taxable income.

● (1820)

This is a very complex question and is worthy of a fully detailed answer, particularly with respect to the cases brought to the Minister's attention. I can assure the Hon. Member that the review of these cases is being given a very high priority.

VETERANS AFFAIRS—REVIEW OF WAR VETERANS ALLOWANCE ACT

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, on May 12 I questioned the Minister of Veterans Affairs (Mr. Campbell) on the War Veterans Allowance Act which is currently under review by the Department. The Minister informed me that no legislative proposals would be considered until the fall or next spring. In other words, in all probability Canadian veterans should not expect any improvements with regard to this matter for quite some time.

At the moment, we have approximately 750,000 veterans, 242,000 of whom are between 60 and 64 years of age. An estimated 275,000 are over the age of 64. I do not feel the Minister is taking into consideration the age of many of these veterans who have been waiting what seems to be an endless length of time to receive the benefits they have justly earned.

Recently the Minister took great pleasure in informing us that the average processing time for first time pension applications is 70-odd days. I must say I am pleased that the Minister is attempting to implement my private Members' Bill C-641 which, if adopted by the House, would ensure that pension applications would be processed completely with a time span of no more than 90 days, and would impose a 45-day limit at each of the two levels in the appeal process. If a decision was not made within any of these periods, the applicant would be automatically awarded the whole amount claimed.

The Minister may be proud of his accomplishments with regard to this matter, but may I remind the House of the years it has taken to reduce the time to this still lengthy amount. Most important, may I remind the House of the many veterans who have died while waiting for their reward. I am hopeful that the Minister will continue his efforts and that we in the House of Commons and veterans can look forward to seeing a full enactment of my Private Members Bill C-641.

The Minister should take heed of the past experiences before continuing to put off too much longer the implementation of any future legislation. Over the years, veterans organizations have made an exceptional number of recommendations to improve the welfare of Canadian veterans. Thousands of veterans feel, as I do, that it is unfortunate that more of these proposals have not been implemented.

One area of concern which comes to mind involves the Aging Veterans program. Presently the program is only offered to those veterans in receipt of a war-related disability pension, thereby excluding many deserving elderly veterans. It is thought that the program should be extended to all disability pensioners and War Veterans Allowance recipients qualifying for treatment under Sections 5, 6, 7 and 12 of the Veterans' Treatment Regulations.

Another matter which is in dire need of immediate upgrading is the War Veterans Allowance interest exemption. The War Veterans Allowance Act limits to \$100 per year the exemption in respect of bank, bond and dividend share interest. This small amount is ludicrous by today's standards and does not allow for even the smallest of investments.

The War Veterans Allowance and Civilian War Pensions Allowances Act should also be amended to allow Canadian war veterans living outside Canada to receive the allowance, if they are unable to return to Canada because of health, financial or other mitigating circumstances. The Minister's position is that the War Veterans Allowance legislation is deemed for Canadian veterans living in Canada. I know, and this is known also to veterans' organizations, that there are veterans who are virtually unable to return to Canada. Why should these people who defended our country be ignored?

Another recommendation by veterans' organizations is that all income other than that received from CWA or WBA be exempted as part of a recipient's casual earnings, up to the maximum as set out in the regulations. This proposal, if implemented, would benefit those veterans who are unable to work and who are in receipt of a small disability pension, OAS, GIS, CPP or a small superannuation allowance.