

PART II.—PENSIONS

1. Following the recommendations made by the Special Committee of last Session, pensions to the disabled, to widows and to dependent parents resident in Canada were increased for a period of 12 months from 1st September, 1920, by a bonus of 50 per cent over the basic rates fixed by Parliament in 1917. Further increases not by way of bonus were at the same time granted in respect of wives and children.

As a result, since the date named, the totally disabled unmarried man whose rank is below that of a Captain, has been in receipt of \$75 a month, or \$900 per annum; if married but without children, \$100 a month or \$1,200 per annum, and if married with 3 children of pensionable age \$137 a month or \$1,644 per annum.

The widow of a deceased soldier of the above rank without children, is in receipt of \$60 per month or \$720 per annum; while her allowance has been increased for each child of pensionable age by the same amount as that allowed in respect of the children of the totally disabled pensioner.

2. The question of continuing this bonus as a temporary or permanent addition to pensions, of increasing or diminishing it, was one of the most important with which your Committee had to deal. Much evidence and many representations on the subject were received and carefully considered. Independent opinion was expressed that the present rates for the totally disabled and widows were in most localities sufficient for the purpose for which they were designed, although as in former years leaving little, if any, surplus to meet extraordinary expenses incident to illness or accident.

The Department of Labour prepared for the use of the Committee the chart attached to this report setting forth the entire cost of living for the average family of five persons. This is based on the retail prices and rentals prevailing in the cities of Canada, and covers a period from 1913 down to March of this year. The items forming the aggregate total are rent, fuel, food, clothing and sundries. The last-named item includes a modest allowance for life insurance premiums. Rent, fuel and food, make up about two-thirds of the total, and notwithstanding some fall in the price of foods, the increase in rentals and cost of fuel maintains this major portion of the budget at much beyond its pre-war level.

As will be noted, the peak of high prices was reached during the middle of 1920 when the family budget was double that of the average of 1913. Since September last there has been a sensible and accelerating decline until in March the level reached corresponds to that of the last quarter of 1919.

Other charts prepared by the same Department show the trend of wholesale prices over a longer term of years. The decline in these has been sharper and more rapid than in the retail trades and affords ground for hope that before long the consumer will secure some further measure of relief.

Taking into consideration the above and the fact that the present bonus was not in force during the period when prices were at the maximum your Committee recommends that it be continued for a further period of 12 months, that is until September, 1922. Before that date arrives it is possible that living conditions may adjust themselves to a point which will justify its modification.

3. Last year's decision confined the 50 per cent bonus to pensioners resident in Canada; for those resident elsewhere the former bonus of 20 per cent was continued. Strong representations were made against the discrimination thus shown, and stress was laid on the allegation that recruiting missions in the United States made definite promises that men enlisting in that country would receive the same benefits as Canadian residents. Many of those who thus enlisted returned after service to their homes in the republic; some sought the advantage to be derived from special climatic conditions, while others found it easier to obtain employment south of the line.

The position of pensioners living in the United States was further aggravated by the discount on Canadian funds in which currency their pensions are payable.