

Parliament provided through legislation an income tested maintenance allowance to compensate veterans who, due to these intangible negative effects of war, were considered to be pre-aged and incapable of self-maintenance. It was directed toward those who had served in a theatre of war and who had been disabled during wartime. In a sense, war veterans allowance was regarded as old age assistance, but paid at an earlier age due to the concept of pre-aging.

Joseph Shull, in his book "Veneration for Valour", called war veterans allowance "an annuity, the premiums of which the veteran has paid with his service during war." He said veterans themselves had a more telling description—"the burnt-out pension."

● (1540)

I think both descriptions are apt, Mr. Speaker. Most veterans have no need of these benefits, but there are some who have. Some had their youth and vitality drained in war. The working lives of others may have been shortened by the experience of war. There are others who suffer from disease and other ailments born of wartime hardship.

In any event, wartime experience has caught up with the 94,000 Canadians and widows of veterans who now receive war veterans allowance. About half are under 60 years of age and receive federal income support through our program. The remainder are over 65 and receive federal income support, primarily through the old age security and the guaranteed income supplement programs with a modest "top-up" from war veterans allowance.

This is where a significant disparity occurs. Over the years recipients over 65 have benefited more from the war veterans allowance program than their younger comrades. Basically this has resulted because increases in the guaranteed income supplement have been considered exempt income in the income testing process of war veterans allowance. The recent \$35 a month increase in GIS means that the single recipient over 65 is now receiving \$70 a month more than those who are under 65. For married couples this disparity has not risen to \$85 a month.

One original intent of the act was to provide equal treatment to all veterans. One intent of this amendment is to ensure that this happens again. As I mentioned earlier, Bill C-28 failed to deal with this disparity. Three years ago I set up a task force within my department to review war veterans allowance legislation. These amendments reflect their major findings as far as benefits to clients are concerned.

The most efficient way to erase the disparity I mentioned is to establish a new war veterans' ceiling and, at the same time, assess as income all OAS/GIS payments made to recipients over 65. If our proposals are approved by this House, effective July 1 of this year single recipients under age 65 will start receiving an extra \$10 a month, and married couples under 65 will start receiving \$12 a month more as the program is phased in over seven years. By doing this and reducing OAS/GIS exemptions by an identical amount each year, we will have eliminated the gap between the two age groups by April, 1986.

Veterans' Pensions

The bill also contains an amendment which is designed to ensure that such disparities never occur again and that future GIS increases will be passed on automatically to recipients under the age of 65.

Simply put, those over 65 will receive the same benefits as before while those in the younger category will receive annual increases until full equity is achieved. I should also point out that such increases are additional to the current quarterly cost of living increases provided to all recipient veterans and widows. Naturally, many of those now under 65 will be benefiting from the old age security and guaranteed income supplement program long before the transition period is up. We estimate that allowance recipients now under 65 reach that age at a rate of approximately 4,000 a year. Virtually the same number apply for WVA benefits at ages 55 or 60, so we are finding that the total number of our under 65 clientele remains constant at roughly 50,000.

I would like to point out that a substantial number of WVA recipients will be receiving their first increase in the basic rate since 1973 and they, together with persons coming into the program in later years, will increasingly benefit from this legislation.

Finally, Mr. Speaker, I believe it is appropriate to quote from a speech made by prime minister Borden to Canadian troops before Vimy Ridge in 1917. I do so because this bill is the most important piece of veterans' legislation to be placed before Parliament in many years, and I believe it is only correct that Canadians, particularly the younger ones, are reminded that this is not charity but a right well and nobly earned. Prime minister Borden told those soldiers:

The government and the country will consider it their first duty to see that a proper appreciation of your effort and of your courage is brought to the notice of your people at home . . . and that no man whether he goes back or whether he remains in Flanders will have just cause to reproach the government for having broken faith with the men who won and the men who died.

By approving this bill, we will once again be honouring that duty which has been reaffirmed many times throughout our history.

One final word: This government has kept its promise to OAS pensioners with its \$35 a month GIS increase. It is now proposing to help our war veterans and their families who have been disadvantaged as a result of service to this country.

In this modern age, society is often accused of neglecting both the contributions of our forebears in building this great country called Canada and their needs as they age and experience infirmity. It is often stated that the measure of the social conscience of a nation lies in its treatment of its aging and dependent population.

The government's continuing concern for our senior citizens was recognized through the latest GIS increase. We are now proposing that similar recognition and support be provided on behalf of Canadians who served their country with valour during a time of war. This is why, as Minister of Veterans Affairs, I am proud to move second reading of this bill.