

*War Veterans' Allowance Act*

regarded as exempt income. This provision was enacted when active service meant in effect service in wartime. Since then the entire Canadian regular forces have been placed on active service and the original intent of the exemption has been lost. It was never intended that the father of a man or woman pursuing a military career should have an advantage of this kind over one whose children are pursuing a career in civil life and therefore the bill proposes that the provision be revoked.

In determining the income of a war veterans allowance recipient from any interest in real property, an exemption is permitted in respect of the value of the house in which he resides. This exemption was fixed at \$6,000 in 1952 and it is agreed that since then the value of real estate has gone up. Canadian housing statistics show that the estimated average cost of a single family dwelling in Canada has been increased by 32 per cent from 1952 up to the second quarter of 1957. This percentage takes into consideration the cost of land, labour and material. The proposed amendment would increase the exemption from \$6,000 to \$8,000, being 33½ per cent. It should be noted that the exemption is not the market value of the property but the interest which the recipient has in the property. This interest is either assessed value established by the municipality or the equity of the recipient in the property, whichever is the greater.

The bill repeals section 8 of the act which reads:

No allowance shall be paid in respect of any orphan who is in receipt of a pension under the Pension Act.

Heretofore, when the father's death was attributable to military service the maximum monthly payment under the Pension Act to or on behalf of one orphan is \$40. Where the father's death is not attributable to service, the maximum monthly payment that may be made to or on behalf of one orphan under the War Veterans' Allowance Act together with a payment from the assistance fund would be \$60.

It is true that there is a means test for the latter group whereas a pension is paid regardless of other income. However, the cases in which the orphan has private income are comparatively few and generally speaking the child whose father's death is not related to service receives more money from public funds than the child whose father died on the battle field. This is undesirable and the amendment provides that the pensioned orphan whose entire income is less than the war veterans allowance ceiling for orphans will be eligible for an award of war veterans allowance.

[Mr. Brooks.]

Subsection 1 of section 14 of the present act permits a recipient of war veterans allowance to be absent from Canada without loss of allowance for a period of three months in any calendar year, provided he returns to Canada within six months from the time he left this country. The bill makes two changes: it would permit the recipient to be absent from Canada for six months from the last day of the first month in which he absented himself, and it would also permit payment upon his return for a total of six, instead of three months in any calendar year.

In respect to the salaries of the chairman and other members of the war veterans allowance board, I remarked at the resolution stage that the government felt these were overdue for revision in line with salaries of senior civil servants and I believe there must be general agreement on that score. These salaries were last revised in 1955 and since then there have been two general salary revisions for civil servants. As a result the relativity which existed between members of the board and other senior officials has not been maintained. Civil servants whose salaries were in the same bracket as members of the board in 1955 have now had their salaries set at a level much higher than the rates now shown in the act and it is felt that members of the board should benefit from a comparable adjustment. The latest revision shows the senior officers grade I whose salaries ranged from \$9,000 to \$10,000 in 1955 are now paid from \$11,500 to \$12,500. The revisions proposed in the bill are well within the amounts granted to senior civil servants with comparable responsibilities, and I believe they will be acceptable to hon. members. The effective date corresponds with increases to the civil servants.

Finally, the bill offers a solution to a problem which has been the subject of strong representations by veterans organizations for some years. During world war II the United Kingdom was deemed to be a theatre of actual war whereas during world war I the United Kingdom was not so regarded.

A considerable number of men reached England during world war I and were retained in that country in the interests of the service. Senior officers will readily agree that the individual man in the ranks, and even the junior officer, had little to say as to the nature of the service that he would be called upon to give. Experienced instructional staff, men with peculiar administrative ability, men skilled in various occupations; many of these were retained in the United Kingdom against their wishes. My colleague the Minister of National Defence has from time to time drawn attention to the rigours