

while the dependent parent of a colonel or other officer in that group would receive \$1,512. The third grade is brigadiers and higher ranks, the dependent parents of whom would receive a pension of \$2,160. Now, it is rather difficult to understand just what yardstick one uses in deciding that the parent of different grades or ranks in the army or the armed forces should be entitled to a pension varying from \$1,428 to \$2,160. Especially is this the case when the wives and children of all ranks receive exactly the same rate of pension.

Honourable senators, you have made or possibly will make a brief examination of the schedules to the Pension Act as set out in Supplementary Estimates (C). If you do so you will readily see that the scale or rate of pension is based on the rank of the veteran. I would appreciate if the leader would comment as to why the custom has been followed for so long in awarding a pension for the same degree of disability and have it based on rank.

It seems to me there is a great difference in the way pensions are arrived at in civilian life as compared with the way they are arrived at for those who have served in the armed forces. In civilian life both parties, the employer and the employee, make an equal contribution. One could hardly quarrel with that, but when you assess the pension for those who have served in the armed forces I think you operate on an entirely different basis because here the officer and the private have made exactly the same contribution. Indeed, in many cases the private has made a much greater contribution than the officer. Each one has given a part of his body in some way or other, and each is now disabled physically to the same degree, say, 50 per cent. When you come to award a pension, both are again on the same level, because as mentioned in the Legion brief, pensions are supposed to be based on the income of the average worker in the common labour market. Both the officer and the private are now living on civvy street and both have to compete in the same way under our system of private enterprise. In my opinion they are equal and on the same level since they both have the same 50 per cent disability.

Therefore, honourable senators, is it not correct that the pension paid to a disabled veteran is to make up the difference between the earning capacity of the disabled veteran and that of the employee who has no disability? If that is correct, then the veteran who has 100 per cent disability should receive a pension equal to 100 per cent of the earnings of the average worker in the common labour market.

The Legion brief clearly points out that in their opinion an increase of 10 per cent

is still far below the earnings of the average worker in the common labour market. While I do not wish to labour the point unduly, I would like to read to honourable senators certain remarks contained in the brief presented to the cabinet on November 11 of this year. At pages 3, 4 and 5 of their brief they say:

... the pension increase, however, of "approximately 10%" falls far short of the requirement as set out in previous briefs and emphasized in our telegram to the Prime Minister on October 6.

As of March 31, there were 148,705 disability pensioners; more than 60 per cent of these—a total of 90,910—were pensioned at 20 per cent or less; the maximum increase in the basic rate of pension for those in this group will be only \$3.60 per month; 58,386, or 40 per cent of all pensioners receive a pension at 10 per cent or less; some of these will receive \$1.80 per month, but more than 5,000 will receive only 90 cents a month—

The Department of Labour indicates the average hourly wage for a general labourer in 1963 was \$1.67. Based on 40 hours per week this gives an annual wage of \$3,473.60.

Honourable senators will recall that, as I read a moment ago, the Legion suggested the pension rate be increased to \$3,500.

While it is acknowledged that the pensioner enjoys free medical treatment for his pensioned disability and is not subject to income tax, the discrepancies that exist go far beyond the small advantages he enjoys. The prohibitions that attach to his disability are suffered for 168 hours per week, 52 weeks per year, whereas the Government or other employee receives his far superior reward for terms of endeavour to 40 hours per week, in a year that is shortened by annual vacation and sick leave.

Comparing the salaries and Pension rates prior to the Minister's announcement yesterday with those in similar categories in 1920, we find an ever-increasing advantage for the Civil Servant over the position of the 100 per cent disability pensioner. As stated above, the 10 per cent increase is grossly inadequate and does little to relieve the advantage which has been gained by the Civil Servant over those who have lost loved ones and veterans who have lost limbs, their eyesight and incurred other disabilities in honouring their obligation to this country—

The Royal Canadian Legion therefore recommends—