

Supply—Mr. Chatterton

When the Minister of Veterans Affairs appeared before the Standing Committee on Veterans Affairs in 1964 he clearly intimated, and perhaps we could say he promised, that the Pension Act would also be referred to parliament with an amendment by the end of 1964. As of today we have seen no evidence that even in the early part of this session the Minister of Veterans Affairs intends to submit proposed amendments to the Pension Act to parliament.

It is true that he has appointed Hon. Mr. Justice Woods to investigate the operation of the Pension Act, but there is so much concern among the veterans and their dependants across Canada as to the total inadequacies of the Pension Act, that it is incumbent upon the minister to introduce into this house, within the next month or so, proposed amendments to that act.

Without going into detail, I should like to refer the minister to an issue of the *Legionary* of January, 1966 wherein it is set forth very clearly the extent to which disability pensions have fallen behind the original criteria which had been set for establishing disability pension rates. I will quote one figure from this article which appeared in that issue of the *Legionary*, having regard to single rates for disability pensions.

In 1920 the single rate for a disability pension was \$900, and the salary for a cleaning serviceman was \$900, the same amount. By 1965 the rate for a single pensioner was \$2,400. That is an increase of 166.7 per cent from 1920. The salary for a cleaning serviceman for 1965 was \$3,800, an increase of 331.1 per cent. No more need be said as to the absolute necessity for the government to bring in very early in this session the long promised amendments to the Pension Act. I shall deal to a greater extent with veterans affairs when the estimates come before parliament.

I want to refer at the moment to a different question, that of ship construction subsidies. The previous government after thorough research and study of this question of shipbuilding in Canada came to the conclusion that in order to encourage the building of Canadian ships in Canadian shipyards it was necessary to provide a direct subsidy to the cost of constructing these ships in Canada. According to our survey we found that in order to make the cost of constructing a ship in a Canadian shipyard comparable to the cost of constructing the same ship in a foreign shipyard, where generally the cost of

labour is lower, it required a subsidy of 35 per cent.

Our policy in this regard was extremely successful, and acknowledged as such even by members of the present government; yet on February 2, 1965 the Minister of Transport (Mr. Pickersgill) announced that the ship construction subsidies were to be frozen. They became frozen as of February 2, 1965 and remained that way until about a week ago.

The Minister of Transport announced about a week ago the new policy of the government, to the effect that ship construction subsidies will be re-introduced but at a reduced rate of 25 per cent. In the first place, if the government wanted to review the effectiveness of ship construction subsidies, it was perfectly entitled to do so. Certainly after the operation of this new policy for some two years the government was entitled to review the effectiveness of it, but there was no necessity at all to freeze the subsidies while such a review was being undertaken. This action has caused great consternation, dissatisfaction and uncertainty in the shipbuilding and ship operating industries, particularly because the government would not agree, in spite of the requests of the industry, to ensure that if the subsidy was reinstated it would be retroactive to the time at which the freezing became operative.

The Minister of Transport announced about ten days ago that the subsidy would be reinstated, but the fact is that a ship that was started on December 31, 1965 is not eligible for the subsidy; yet a ship that was started on January 1, 1966 is eligible for that subsidy. It is true that when any new program of a government is introduced there must be a cut-off date, and there is bound to be some inequity or dissatisfaction between that which applied before that cut-off date and what applied after. Here is a program which has been in operation for two years. There was absolutely no need for the government to freeze and suspend the subsidies, and then re-introduce them without making ships constructed from that freezing period eligible for subsidy.

When we set the subsidy at 35 per cent we considered that as the amount required to make the cost of building ships in Canada comparable to building ships in foreign shipyards. The government has given no indication that the 25 per cent, which has now been established instead of 35 per cent, will accomplish the same objective. Speaking parochially for the moment, Mr. Speaker, let me say that I

[Mr. Chatterton.]