

The reasoning behind this is that when, for example, a man makes his life's work the civil service, he will normally expect to retire at age 65 on an allowance. His life is divided into the working period and the period of retirement, which for the civil service starts at 65, and his remuneration is divided into the salary which he gets during the working period and the pension that he gets during the retirement period. In such cases, pensioners, although retired, would not be considered to be in the unemployable category. Those with small superannuations who would feel it necessary to supplement them, if they sought work and if they proved to be unemployable, would be eligible for the allowance.

The principle of an unemployability allowance is not new in pension procedure. It is in effect in the United Kingdom, in New Zealand and Australia, and the department's information is that it is serving a most useful purpose.

In the United Kingdom, for instance, experience has shown that the main principle—that pension is awarded according to medical assessment of the degree of actual disablement without regard to earnings—is advantageous when applied over the whole field of disability pensions. It enables high pensions to be paid to seriously disabled veterans who are, nevertheless, able to follow their normal occupations and to earn full wages. The payment of the supplement, which separately recognizes unemployability, enables this original principle to be maintained to the advantage of many, while the relatively few pensioners whose disability has had an extra effect of nullifying their earning capacity are able to receive compensation over and above the normal pension based on the degree of disablement.

As the United Kingdom has had an unemployability supplement in effect for some time, and has found it to be a great benefit to unemployable pensioners, it is proposed at the beginning to base our regulations and procedure on the principles of the British system which have been proved in practice. The regulations which will be made by the authority of the Governor in Council can, of course, be changed if it is felt that any of them are not applicable to Canadian conditions.

Now, Mr. Chairman, that concludes what I had prepared to say but I might inform you that we have available the officials of the department, including the director of casualty rehabilitation who may, if you wish, give further details of the present status of pensioners, their employment, and all factors relating thereto.

The CHAIRMAN: Is that Rider's survey?

The WITNESS: No, Rider's is a survey we made in conjunction with the unemployment insurance but information can be given on that also.

The CHAIRMAN: Thank you, General Burns. Gentlemen, you have heard the formal presentation of what lies behind this estimate and a detailed explanation of the chart which lies in front of you.

The minister mentioned—or perhaps it was the deputy minister—that certain studies were made of the situation of pensioned veterans with respect to employment, and if it is the wish of the committee to have an explanation of what was done in response to a request from any of you, I think perhaps we could supply you a little further information. Otherwise, the matter is open for your discussion and comments.

Mr. GILLIS: May I ask General Burns a question?

The CHAIRMAN: Yes, of course, Mr. Gillis.

Mr. GILLIS: In listening to you, I got the impression that the principle you are adopting in this particular award would be liable to change the basis that has been established over the years for pensions. At the present time a pension is based on the disability, regardless of earning capacity. Now, there is not any intention or suggestion that a pensioner coming in with a certain percentage