

equitable that the parent should, in the event that he or she falls into a dependent condition, be equally entitled on account of both sons."

In September 1965 the Treasury Board approved the appointment of a committee of three persons not connected with the Department of Veterans Affairs or the Canadian Pension Commission, for a survey of the organization and work of the Canadian Pension Commission and for preparation of a report and recommendations thereon to the Minister of Veterans Affairs. Included in the field to be studied is the interpretation of such sections of the Pension Act which, in the judgment of this committee, should be considered.

36. *War Veterans Allowances.* The Committee made the following recommendations:

- (a) the Committee, after taking note of the increasing number of overpayments arising mainly from veterans making false or misleading statements, and of the fact that, although 80 such cases had been referred to the Board by the Auditor General in 1962 and 1963, in none of these had legal action been instituted, recommends that all cases of deliberate deception which come to notice be vigorously prosecuted;
- (b) that the Act should be amended to recognize mortgages receivable and agreements for sale as either personal property or an interest in real property. In the meantime, where it appears to the Board that the terms of a mortgage receivable or agreement for sale are unrealistic in relation to the life expectancy of the individual and the going market rates, the Board should deem the return from these assets to be at a reasonable monthly rate;
- (c) that in cases where the presence of a child is the reason for an award at married rates, the income of the child, except income specifically exempted under the Act, be taken into account in determining the amount of the award.

*Comment by the Auditor General:* This matter is referred to in paragraph 91 of my 1964 Report to the House and in paragraph 139 of my 1965 Report to the House.

The Minister of Veterans Affairs advised the Chairman of the Committee on March 3, 1965 respecting each of the above recommendations as follows:

- (a) "In considering this suggestion I have reviewed the problem as outlined in the evidence given by the Director of Legal Services in Appendix B of the Minutes of Proceedings and Evidence, No. 24, dated November 3, 1964, of the Committee.

The action taken by the Courts, where legal steps have been instigated has almost invariably resulted in suspended sentences based, no doubt, on the facts that the wrongdoer is a veteran, that he is nearly always elderly and that his health would not bear up under imprisonment. I have noted, too, that recoveries are made by