

A great many of the amendments were necessary to give the act applicability to the new war. Thus in the old act there was no reference to the air force. Opportunity was taken to clarify and improve the wording of various sections, and several objectionable features which had given rise to difficulty in the past were removed.

Among the new principles introduced were the following:

With relation to the new war the definition of "theatre of actual war" was greatly broadened as compared with the former conflict. Formerly even Great Britain was not included. Any service outside the territorial limits of Canada in the war of 1939 is service in a theatre of war for pension purposes.

In order to give the Canadian scale of pensions to all Canadians serving in the Imperial forces, including the numerous young men who went over to join the Royal Air Force in the years preceding the outbreak of hostilities, it was provided that any Canadian domiciled in Canada within four years prior to September 1, 1939, who served in the Imperial forces should be entitled to have his Imperial pension raised to Canadian scale in the event of his returning to live in Canada. The same provision applies to the dependents of the fallen.

Effect was given to an earlier order in council providing that the insurance principle should apply only to members of the forces serving overseas. The effect of the order in council was greatly modified by the broadened definition of "theatre of war" and by the addition of an entirely new subsection authorizing the commission to make discretionary awards in cases of death or disability where the former member of the forces or his dependents would otherwise experience economic hardship. May I add that in interpretation of the Act the number of cases outside the insurance principle has been greatly reduced, until today there are very few disabilities incurred during service even in Canada which are not pensionable.

The committee of the House, in addition to dealing with the amendments to the Pension Act, discussed the whole field of rehabilitation and I table as Appendix 13 a copy of the committee's fourth report, dated June 12th, and making a number of recommendations, practically all of which were acted upon by the government within a comparatively few months.

Among the steps taken on recommendation of the parliamentary committee was the enactment of P.C. 8541 $\frac{1}{2}$, extending the civil service preference to persons serving in the current war. A copy of the order in council appears in Appendix 1 at Page 287.

The third notable event of 1941, to which I have referred, was the promulgation of the Post Discharge Re-establishment Order as P.C. 7633, of October 1941.

As this order has been several times amended and ultimately repealed in favour of a re-drafted P.C. 5210, of July 13, 1944, I direct your attention to the fact that P.C. 5210 giving this legislation in its present form appears at page 381 in the Reference Manual.

The Post Discharge Re-establishment Order, I need hardly add, is that which confers upon the department the right to give vocational training, educational benefit, out-of-work benefit, allowances to farmers and others awaiting returns from enterprises upon which they enter as proprietors, and which credits discharged members of the forces entering insured employment with their service time as if it had been spent in the insured employment upon which they enter after discharge.

During 1941 also, the Special Committee on Canteens appointed by P.C. 7520 reported to the government recommending the investment of surplus canteen funds pending determination of the manner in which they should ultimately be utilized. Accordingly, on November 22nd, 1941, by P.C. 74/9130, trustees to invest these funds were appointed. A copy of the order in council is tabled herewith as Appendix 14.