

The CHAIRMAN: We are checking that with the legal officer of the department, Mr. W. Gordon Gunn, Q.C., Director of Legal Service, Department of Veterans Affairs.

Mr. GUNN: The question General Pearkes put is: does the widow in a case like this have to pay succession duties on the gratuity she gets? Might I have a couple of minutes to take a look at this Act and another Act before I answer that. I think there may be something here that may be helpful. It is a question where the Income Tax Act and the Succession Duties Act and other Acts have to be considered.

The CHAIRMAN: Whenever you are ready to answer—perhaps we do not need to have the section stand.

Mr. HENDERSON: What type of release do they require from the provincial and federal concession duty departments to release these funds? That is generally the time when the widow wants to get hold of some money and a great deal of it is tied up until she gets releases. I wonder if this was also tied up, the credits to which her husband was entitled.

The CHAIRMAN: Is it your wish to have this subclause stand?

Mr. PEARKE: I would like to have it stand because this is a very important question, this question of succession duties.

The CHAIRMAN: Now we come to the veterans rehabilitation clause, clause 4, subclause (1) except 5 which stands until we can get an answer from Mr. Gunn.

Subclause (1), application of revised statutes, chapter 281.

Carried.

Subclause (2) "veteran."

Mr. HERRIDGE: Mr. Chairman, under clause 4 I wish to refer to para (b) of sub-clause (2):

Every officer or man of the reserve forces who has been on service in a theatre of operations on the strength of the special force and whose service with the regular forces has been honourably terminated, and for the purposes of that Act such termination is deemed to be a discharge.

I wish to make a comment on that. I have some personal experience I would like to bring to the attention of the minister which does show how injustice can prevail at times although it is unintentional. There is a constituent of mine who served four years in the First World War and five years in the Second World War, and then he served five years in the permanent force of Canada since the Second World War. Then, at the conclusion of the five years he was discharged as "unlikely to become an efficient soldier". As a matter of fact that was based on completely incorrect information and when the Department of National Defence knew the facts they corrected the situation and gave the soldier in question a normal discharge; he suffered a more or less limited injustice. But I have run into a number of cases where men who committed crimes, which in civilian life would be quite inconsequential, suffer as a result of those offences even today through loss of gratuities and pension rights, and in one case I know of an officer of the permanent force who was dismissed from the force and lost his permanent force pension on that account. I would like the deputy minister to explain in a few words to the committee the procedure for the review of the discharge of a soldier for other than honourable discharge.

The WITNESS: Mr. Chairman, I am afraid that that question would have to be answered by a representative of the Department of National Defence. As doubtless Mr. Herridge is aware, so far as the gratuities and reestablishment