

and providing for an averaging-out of delivery through the year, will be a further step in providing stability to the farming community.

Senator Macdonald: Honourable senators, I wonder if I may ask the honourable senator a question? As I understand it, the government guarantees the loan to the producer organizations. Does the individual producer have to make application through the producer organization, or can he apply directly to a bank?

Senator Molgat: It is my understanding that the producer makes his application to the organization in question and gets the advance from that organization, which then obtains its money either from its own funds, if it has funds, or from a bank, and that the government guarantees the loan from the bank to the organization, not to the producer.

On motion of Senator Macdonald, debate adjourned.

PENSION ACT

BILL TO AMEND—SECOND READING—DEBATE ADJOURNED

Hon. Chesley W. Carter moved the second reading of Bill C-11, to amend the Pension Act.

He said: Honourable senators, Bill C-11 simply amends one section of the Pension Act, namely, section 75, which has to do with the Pension Review Board. Perhaps a little background information will help put the amendments of Bill C-11 in better perspective and, at the same time, enable readers of *Hansard* to have a better understanding of the procedure for adjudication of veterans' pensions.

The Pension Act, which came into existence following World War I, governs the adjudication of disability pensions for Canadian veterans. It established the Canadian Pension Commission for that purpose.

Following World War II, complaints were voiced by veterans, individually and through their organizations, about the way the adjudicative machinery under the act was operating, and the manner in which the commission was interpreting certain sections of the act, particularly the section designed to ensure that in cases where the evidence was not conclusive the veteran would receive the benefit of the doubt.

The specific complaints about the machinery for adjudicating veterans' claims for pensions had to do mainly with the procedures adopted by the commission. These were as follows: the initial claim was considered by the commission, and if the decision was unfavourable the veteran could request a second, third or fourth hearing, as long as he provided additional evidence.

If the decision remained unfavourable and the veteran was still not satisfied, he could request an appeal board hearing. This appeal board was constituted by the commission from its members, and often included members of the commission who had already adjudicated the veteran's claim at the first, second or third hearing. Thus, the appeal board was often in the position of sitting in judgment on a decision that had already been made by one or more of its own members. This was not a very satisfactory situation, because the decision of the appeal

board was both final and binding, and no further recourse was available.

There were also complaints that the Veterans' Bureau, the body constituted under the act to provide legal advice and assistance to veterans in the preparation and presentation of their claims, was actually a part of the Department of Veterans Affairs, and since in cases of appeal the department was required to provide summaries of evidence, both for and against the veteran, it was felt that the Veterans' Bureau was in a conflict of interest position.

As a result of these complaints, in 1965 the government set up a three-man commission under Mr. Justice Mervyn Woods to study the Pension Act in the light of these complaints, to receive representations from veterans and veterans organizations, and to make recommendations to the government. This commission, known as the Woods Commission, made 148 recommendations, and in 1969 the government published a white paper setting forth the recommendations they were prepared to accept. This white paper was studied by the House of Commons Committee on Veterans Affairs, and their report was tabled in the session of 1969-70.

In 1971, the government introduced Bill C-203, which constituted a massive overhaul of the Pension Act. It separated the Veterans' Bureau from the department and set it up as an independent autonomous body. It attempted to clarify the benefit of doubt clause and provided clearer guidelines for its adjudication. It provided new benefits and set forth new procedures and new machinery for the adjudication of veterans' claims. The Canadian Pension Commission still remains, and is still the first body to receive and adjudicate veterans' claims.

Up to this point the procedure remained unchanged, but in cases where a veteran's claim had been rejected by the Canadian Pension Commission, or where the veteran was not satisfied with the decision handed down, Bill C-203 provided further stages of adjudication. Bill C-203 is now the present law, and it provides for the setting up of an Entitlement Board before which the veteran can appear and state his claim in person, with the help of the pensions advocate and other witnesses, if necessary.

It must be noted that this appearance before the Entitlement Board is not automatic. It must be requested by the veteran. It should be noted, too, that the Entitlement Board is constituted by the Canadian Pension Commission in the same way as the old appeal board was constituted. Thus, it is still open to the same objection that members of the Entitlement Board are in the position of sitting in judgment of a decision that has already been made by one or more of its own members. There is this difference, however: the decision of the Entitlement Board is not final and binding, because the present act provides a final court of appeal, a completely independent body, which is the Pension Review Board. The Pension Review Board does not hear witnesses. It goes over the evidence submitted to the Pension Commission and to the Entitlement Board, and it may hear arguments and receive representations from the Veterans' Bureau on behalf of the veteran. Its