

The Address—Mr. D. J. MacDonald

department even before I came here. I realize that there is still a good deal to be learned.

After nearly 30 years of observation and experience of the veterans affairs department and agencies from the output point of view, I have been most interested to be able to study it from the input end. This I have been doing pretty intensively for the past two months. I am not going to take time on this occasion to talk at length about the Department of Veterans Affairs programs and achievements, however desirable that might be, but I do want to say a few words on two or three points that I think are of interest both to hon. members and to veterans in Canada.

The first point concerns pensions; more specifically, the basic rate of pensions. My ministerial legacy included a report on this subject by a joint study group composed of representatives of veterans' associations, the Department of Veterans Affairs and the Canadian Pension Commission. It was set up last July under the chairmanship of Allan O. Solomon, commission chairman, and its findings were announced early last November jointly by my predecessor Hon. Arthur Laing, now Senator Laing, and Robert Smellie, president of the Royal Canadian Legion.

In essence, the report recommends that the basic pension rate, which is the amount of compensation paid to an unmarried, 100 per cent disability pensioner, should be related directly to the earning power of five categories of unskilled employees in the federal public service. At pay rates in effect at the time the report was presented, that would make for a basic rate of \$4,529 per year and that was the figure recommended in the report. As I pointed out in this House the other day, when the Standing Committee on Veterans Affairs has been reconstituted I will introduce a resolution referring the report to the standing committee.

Some hon. Members: Hear, hear!

Mr. MacDonald (Cardigan): My second point also concerns pensions—the adjudication of pension claims and why decisions are sometimes months in coming. I want to begin my comments on this point by saying that the chairman of the Pension Review Board and the chairman of the Canadian Pension Commission, the two adjudicating agencies, believe that their primary responsibility is to award pensions; they do not consider themselves to be guardians of the privy purse. I support them wholeheartedly in that philosophy. At the same time they, and I, realize that pension entitlement cannot be awarded irresponsibly, that enough credible evidence must be presented to justify a favourable decision being rendered on a claim.

The other pensions agency, the Bureau of Pensions Advocates, and the veterans' associations go to great lengths to obtain and present that evidence. But not generally known—certainly, I did not know it until recently—is the magnitude of the problem that has been faced by the Canadian Pension Commission which is responsible for the first two levels of the adjudication of claims.

• (1540)

The 1971 amendments to the Pension Act were described by the then minister of veterans affairs, the hon. member for Restigouche (Mr. Dubé), as the most

[Mr. MacDonald (Cardigan).]

extensive and comprehensive in half a century, giving Canada what I am sure is a world model for legislation dealing with compensation for disability and death related to military service. But perhaps of greater importance from the veterans' point of view was the removal of restrictions and the expansion of the basis for pensions claims, a more generous definition of the benefit of the doubt clause, an improved adjudication procedure and a more liberal attitude toward pension claims generally.

It was a new ball game for pension applicants and also for the commissioners and the commissions' employees. The implications of the amended act had to be carefully considered, new procedures had to be worked out, new staff had to be found and trained, old employees had to be retrained, priorities had to be established and potential claimants had to be informed of the extended benefits, including the three year retroactivity provision.

As expected, a deluge of pension applications descended upon the commission. It may be easing a bit now, but it has continued at a higher level for much longer than was anticipated; for example, applications in November and December of 1972 were somewhat higher than in the same months of 1971. Predictably, many of these claims were the renewal of applications that had been turned down under the old act, or were from widows who were entitled to apply under the amended legislation. Very many of these applications were for pension entitlement for medical conditions identified years after service which may be attributable to incidents that took place 30 to 50 years ago.

Regardless of whether the end result is a favourable decision or an adverse one, the medical appreciation of a claim and the ultimate adjudication of it is very time consuming, and the decision must be a written one. The law requires that it be in complete detail if it is unfavourable. Then, in addition to the time required for these procedures, many man-hours may be devoted to seeking or verifying evidence required to justify a favourable decision; and sometimes this hinges on evidence provided by commanding officers, comrades, archives, and so on, resulting in further delays while records and memories are searched and letters and reports are written.

There is more I could say about the reasons for the substantial backlog of claims and about the time required to render decisions, but I prefer to talk about the way the commission is handling this problem. All claims for pension had a fresh start under the terms of the new legislation, that is, as of March 30, 1971, when the act was amended. The act also provides that pensions may be paid from the date of application or retroactively for three years, whichever is the later. There is provision, also, for further extensions to compensate for administrative delays, if that section needs to be invoked.

The first priorities of the commission were the automatic awards to Hong Kong veterans and to the exceptionally incapacitated. These groups were dealt with in accordance with the provisions of the amended act during the 1971-72 fiscal year. Generally speaking, widows' claims now have priority, especially is they have been recently widowed, veterans of World War I and their dependants have priority over those of World War II, for obvious reasons, and priority is also given to claims where there is a social or medical urgency attached to them. Apart from