

There is another subsidiary principle implied in the bill which was not recognized in the original Pension Act of 1916. In the middle of the old war one might perhaps guess that the terms of the original act were worked out in relation to the practice after former campaigns, campaigns in which a professional army went off, did its work, came back and was demobilized; and the scale for compensation for pension for various ranks was worked out bearing a direct relationship to the pay of those ranks when in the service.

Following 1916 the first upward adjustment of pensions was made in the year 1919. Then for the first time there came a recognition of new factors inherent in the make-up of a citizen armed force. Ever since then all ranks up to ex junior officers—here captains or equivalents—all received the same rate of pension, and all increases have been concentrated entirely upon that group of pensioners. That policy is continued in this bill.

I might say there that the proposed new basic scale of pension for disability and death is in excess of the rate being paid at the moment for captains. Following are the total numbers of awards payable at present to officers of the rank of major, or equivalent, and above. This is for both wars. The total of such officers now pensionable is 1,824 out of a total of pensionable all ranks of 199,250. I might refer here to a little bit of ancient history on pensions. In accordance with recommendations of a special parliamentary committee as far back as 1919 a bonus of twenty per cent over the basic rate of pension then in force for the rank and file was authorized by the Pension Act of 1919. The cost of living index for that year was 126.5. In view of the possibility that in future years prices might recede, the committee was of the opinion that increases in pension should be in the main effected by way of a bonus to be continued until such time as the cost of living warranted its modification.

This bonus was increased to fifty per cent by the 1920 amendments to the Pension Act, and authorized in such a manner as to make the pensions for others ranks equal to that of lieutenant, or equivalent. The cost of living index for July 1920 was 150.6. The average for the year 1920 was 145.5.

The bonus as such was authorized each year until June 27, 1925 when schedules A and B of the statute were re-enacted so as to include the bonus in the basic rate of pension, and this has remained in effect notwithstanding subsequent reductions in the cost of living. The cost of living index was 119.8 in June, 1925.

[Mr. Gregg.]

Recently, questions have been asked me outside the house somewhat as follows: Is it the government's intention that this present proposed increase constitute a new basic scale of pensions, or is it intended that the increase slide up and down in direct relation to the future cost of living index?

The answer to that and similar questions is this: The government does propose in this bill an increase in the basic rate of pension and it is not intended that it should fluctuate according to the changing cost of living index.

I should like now to give the house a brief outline of the main proposals contained in Bill No. 126 to amend the Pension Act.

Amendment 1 can be dealt with by saying that it will be appreciated by hon. members that a member of the forces cannot be considered as an applicant for pension until his retirement or discharge from service is effected. After world war I some members of the permanent force were retired one day and retaken on strength the following day, and awarded pension for service disabilities. Many who served in world war II elected to serve with the interim force and continued with the active force. They have never been boarded for retirement or discharge from service in world war II. There appears no reason why their claims should not be considered, and the proposed amendment will rectify the situation.

Amendment 2: This amendment gives effect to the proclamation in the *Canada Gazette* whereby, for purposes of the Pension Act, the first day of April 1947 was declared as the date of termination of world war II.

Amendment 3: The amendment provides for an increase in the salary of the chairman, as recommended by the Gordon commission report of July 1946. It also provides for the deputy chairman and the commissioners.

Amendments 4 and 5: The explanatory notes are sufficient; I believe they are completely self-explanatory.

Amendment 6: This amendment provides for an equalizing increase in the scale of awards of helplessness allowance to officers of the rank of captain to lieutenant-colonel, or equivalent, inclusive, as otherwise they would have received less than the total pension payment to those of lower rank.

Amendments 7 and 8 are to provide for certain necessary administrative changes. Amendment 9 provides additional compensation to a parent. When a member of the forces died and left a widow or a widow and children entitled to pension, and in addition a dependent parent, the act provided an award of \$180 per annum to such parent. In