

*Defence Services Pensions*

and opposite each section are references showing its origin and the reference to the sections of the various statutes it replaces.

Therefore I can give the hon. member the assurance he wishes that all the resources of the department and all the work that has been done will be put before the committee. Every effort will be made to co-operate with the committee in seeing that we have the best possible statute to accomplish the job we want to do, and that is to look to the discipline of the armed forces and the regulations of the department in the interests of greater efficiency, greater security for Canada, and greater justice for the services.

Motion agreed to and bill read the second time.

**DEFENCE SERVICES PENSIONS****METHOD OF COMPUTATION—CREATION OF SERVICE PENSION BOARD**

**Hon. Brooke Claxton (Minister of National Defence)** moved the second reading of Bill No. 134, to amend the Militia Pension Act and change the title thereof.

He said: Mr. Speaker, this bill is based on a resolution which was adopted by the house without any preliminary statement from me. I believe I gave some assurance that such a statement would be made.

The Militia Pension Act which this bill would amend provides for pensions and gratuities for members of the regular forces of Canada on their retirement, and for their dependents on their death. Amendments proposed in this bill would simplify administration, expedite payment and correct certain anomalies. All the proposed amendments will, I believe, be found to be in the interest of the officers and men of the forces.

The Militia Pension Act enacted in 1901 applied only to the army. This is part I of the present Militia Pension Act. In 1928 parts II and III were added to extend the act to the Royal Canadian Navy and the Royal Canadian Air Force. In 1937 part IV provided that pensions granted in accordance with parts I, II, and III would be paid in monthly instalments.

In 1945 a committee under the chairmanship of Mr. G. D. Finlayson, C.M.G., then superintendent of insurance, was set up to recommend amendments which would make provision for members of the armed forces similar in principle to the Civil Service Superannuation Act. The status of members of the regular forces to whom parts I to IV applied was not to be disturbed but they were given the right to elect to come under part V. This new part came into operation on the 31st August 1946 and applied to members of

[Mr. Claxton.]

the regular forces enrolled after 31st March 1946 and to those who prior to 31st March 1948 elected to become contributors under this part.

Part V will become the only part of the act in effect when the 3,234 servicemen to whom parts I to IV apply will have died or have been retired from the forces. It is expected that this number will be reduced if the option to come under part V is extended as proposed by this bill.

Under parts I to IV of the act, members of the regular forces who serve for 20 years or more and are retired for reasons other than their own misconduct are granted a pension for each year of service of one-fiftieth of their pay and allowances at the time of their retirement if they were appointed to the forces prior to May 1, 1929, or if appointed after May 1, 1929, on the average annual rate of pay and allowances for the three years preceding retirement.

Officers and warrant officers pay a contribution of five per cent per annum of their pay and provision is made for a pension or other benefits for widows and dependents. In the case of ranks below warrant officer no contribution is paid and no provision is made for widows and dependents. All members of the regular forces to whom part V applies contribute to the pension fund and the benefits on retirement or to their dependents upon their death are similar to those granted to members of the civil service.

The first clause of the bill would change the title of the act from the Militia Pension Act to the Defence Services Pension Act. This, I believe, is more appropriate for an act which applies to all three services.

Persons to whom parts I to IV applied who wished to come under part V had to elect to do so before March 31, 1948. It has been found that a number of persons who wished to come under part V did not make application before that date and the amendment to paragraph (b) of section 43 would extend to December 31, 1950, the time within which election may be made to come under part V.

Under the present part V, a contributor who wishes to reckon for pension purposes his service prior to his becoming a contributor has to elect to do so within one year after becoming a contributor. The purpose of the amendment to subsection 1 of section 45 is to extend the time within which such an election can be made to a period of six months after the coming into force of the amendment.

The amendments to subsections 12 and 13 of section 4, as set out in clause 4 of the bill, and to paragraph (h) of section 53, as set out