

Canada. Parl. H.of C.
Standing Comm. on
Veterans Affairs, 1958.
Minutes of
proceedings & evidence.

J
103
H7
1958
V4A1

Canada. Parl. H.of C. Standing
Comm. on Veterans Affairs, 1958.

103
J
H2
1958
V4A1
c.1
c.1

HOUSE OF COMMONS

First Session—Twenty-fourth Parliament
1958

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1

Estimates 1958-59 of the Department of Veterans Affairs

THURSDAY, JUNE 5, 1958

THURSDAY, JUNE 19, 1958

THURSDAY, JUNE 26, 1958



WITNESSES:

Mr. Lucien Lalonde, Deputy Minister of Veterans Affairs; Mr. F. T. Mace, Assistant deputy-minister; Mr. F. J. G. Garneau, Chairman, War Veterans Allowance Board; Mr. G. H. Parliament, Director-General, Veterans Welfare Services; Mr. C. F. Black, Superintendent, Veterans Insurance.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1958

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.,

Vice-Chairman: G. W. Montgomery, Esq.,

and Messrs.

Anderson	Herridge	Peters
Batten	Houck	Regnier
*Beech	Jung	Roberge
Benidickson	Kennedy	Robinson
Bigg	Lennard	Rogers
Broome	Lockyer	Speakman
Cardin	Macdonald (<i>Kings</i>)	Stearns
Carter	MacEwan	Stewart
Clancy	MacRae	Thomas
Denis	McIntosh	Webster
Fane	McWilliam	Weichel
Forgie	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee

*Replaced Mr. Brunsdon on June 9, 1958.

ORDERS OF REFERENCE

HOUSE OF COMMONS,
Tuesday, June 3, 1958.

Resolved,—That the following Members do compose the Standing Committee on Veterans Affairs:

Messrs.

Anderson,	Herridge,	Parizeau,
Batten,	Houck,	Peters,
Benidickson,	Jung,	Régnier,
Bigg,	Kennedy,	Roberge,
Broome,	Lennard,	Robinson,
Brunsdan,	Lockyer,	Rogers,
Cardin,	Macdonald (<i>Kings</i>),	Speakman,
Carter,	MacEwan,	Stearns,
Clancy,	MacRae,	Stewart,
Denis,	McIntosh,	Thomas,
Dinsdale,	McWilliam,	Webster,
Fane,	Montgomery,	Weichel,
Forgie,	Ormiston,	Winkler—40.
Garland,		

(Quorum 15)

Ordered,—That the Standing Committee on Veterans Affairs be empowered to examine and inquire into all such matters and things as may be referred to it by the House; and to report from time to time its observations and opinions thereon, with power to send for persons, papers and records.

Tuesday, June 3, 1958.

Ordered,—That items numbered 473 to 499, inclusive, and items numbered 517 to 520, inclusive, as listed in the Main Estimates of 1958-59; and items numbered 652 to 654, inclusive, as listed in the Supplementary Estimates for the fiscal year ending March 31st, 1959, relating to the Department of Veterans Affairs, be withdrawn from the Committee of Supply and referred to the said Committee, saving always the powers of the Committee of Supply in relation to the voting of public moneys.

MONDAY, June 9, 1958.

Ordered,—That the name of Mr. Beech be substituted for that of Mr. Brunsdan on the said Committee.

STANDING COMMITTEE

MONDAY, June 23, 1958.

Ordered,—That the standing Committee on Veterans Affairs be empowered to print such papers and evidence as may be ordered by the Committee, and that Standing Order 66 be suspended in relation thereto.

Ordered,—That the said Committee be granted leave to sit while the House is sitting.

Ordered,—That the quorum of the said Committee be reduced for 15 to 10 members and that Standing Order 65 (1) (n) be suspended in relation thereto.

Attest.

LÉON J. RAYMOND,
Clerk of the House.

REPORT TO THE HOUSE

The Standing Committee on Veterans Affairs has the honour to present its

FIRST REPORT

Your Committee recommends:

1. That it be empowered to print such papers and evidence as may be ordered by the Committee, and that Standing Order 66 be suspended in relation thereto.
2. That it be granted leave to sit while the House is sitting.
3. That the quorum of the Committee be reduced from 15 to 10 members and that Standing Order 65(1)(n) be suspended in relation thereto.

Respectfully submitted,
WALTER DINSDALE,
Chairman.

(The said report was concurred in on Monday, June 23, 1958.)

MINUTES OF PROCEEDINGS

House of Commons, Room 277,
THURSDAY, June 5, 1958.

The Standing Committee on Veterans Affairs met at 10:30 o'clock a.m.

Members present: Messrs. Anderson, Batten, Bendickson, Bigg, Broome, Cardin, Clancy, Fane, Forgie, Herridge, Jung, Kennedy, Lennard, Macdonald (*Kings*), MacEwan, MacRae, McIntosh, McWilliam, Montgomery, Ormiston, Parizeau, Robinson, Rogers, Speakman, Stearns, Thomas, Webster, Winkler.

The Clerk of the Committee proceeded to attend to the election of a Chairman, whereupon Mr. Macdonald (*Kings*) moved that the election of a Chairman be deferred and that Mr. Montgomery act as Chairman during the proceedings of this day.

The proposed motion of Mr. Macdonald (*Kings*) having been put it was resolved in the affirmative unanimously.

Mr. Montgomery took the Chair.

Mr. Lennard then moved, seconded by Mr. Herridge, that the Committee adjourn. The said motion having been put, it was resolved in the affirmative.

The Committee rose.

House of Commons, Room 268,
THURSDAY, June 19, 1958.

The Standing Committee on Veterans Affairs met at 10:00 o'clock a.m.

Members present: Messrs. Anderson, Batten, Beech, Carter, Clancy, Dinsdale, Fane, Forgie, Herridge, Jung, Kennedy, Lennard, Lockyer, MacEwan, MacRae, McIntosh, McWilliam, Montgomery, Parizeau, Peters, Roberge, Robinson, Rogers, Stearns, Stewart, Thomas, Weichel, Winkler.

The Clerk of the Committee attended to the election of a Chairman.

Mr. MacRae moved, seconded by Mr. Jung, that Mr. Dinsdale be elected chairman.

No other nominations having been made, Mr. Dinsdale was declared elected and took the chair.

The Chairman thanked the Committee for the honour bestowed upon him.

On motion of Mr. Fane, seconded by Mr. McIntosh, Mr. Montgomery was elected Vice-Chairman.

Before proceeding further with the organization of the Committee, the Chairman invited the Honourable A. J. Brooks, Minister of Veterans Affairs to address the Committee. The Minister announced that in addition to the Estimates of his Department which were referred to the Committee for study and report, three bills would be referred to the Committee.

STANDING COMMITTEE

The Chairman thanked the Minister for his brief address, and the Committee proceeded further with its organization.

On motion of Mr. Lennard, seconded by Mr. Winkler,
Resolved: That the Committee ask leave to sit while the House is sitting.

On motion of Mr. Montgomery, seconded by Mr. Carter,
Resolved: That the quorum of the Committee be reduced from 15 to 10 members and that Standing Order 65(1)(n) be suspended in relation thereto.

On motion of Mr. Rogers, seconded by Mr. Clancy,
Resolved: That the Chairman, Vice-Chairman, and six other members, to be named by the Chairman, act as a Committee on Agenda and Procedure.

On motion of Mr. McIntosh, seconded by Mr. Fane,
Resolved: That the Committee be empowered to print such papers and evidence as may be ordered by the Committee, and that Standing Order 66 be suspended in relation thereto.

On motion of Mr. Herridge, seconded by Mr. MacEwan,
Resolved: That steps be taken to supply each member of the Committee with copies of all veterans legislation now in force.

At 10:35 o'clock a.m. the Committee adjourned to the call of the Chair.

Room 268, House of Commons,
 THURSDAY, June 26, 1958.

The Standing Committee on Veterans Affairs met at 10:00 o'clock a.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Anderson, Beech, Bigg, Broome, Carter, Clancy, Dinsdale, Fane, Forgie, Herridge, Jung, Kennedy, Lockyer, Macdonald (*Kings*), MacRae, McIntosh, McWilliam, Montgomery, Ormiston, Parizeau, Peters, Regnier, Roberge, Robinson, Rogers, Speakman, Sterns, Thomas, Winkler.

In attendance: The Honourable A. J. Brooks, Minister of Veterans Affairs, and Messrs. L. Lalonde, Deputy Minister; F. T. Mace, Assistant Deputy Minister; L. A. Mutch, Deputy Chairman, Canadian Pension Commission; F. J. G. Garneau, Chairman, War Veterans Allowance Board; G. H. Parliament, Director-General, Veterans Welfare Services; F. L. Barrow, Departmental Secretary, J. G. Bowland, Chief, Research and Statistics, C. F. Black, Superintendent, Veterans Insurance.

On motion of Mr. Montgomery, seconded by Mr. Thomas.

Ordered: That pursuant to the Order of Reference of June 23, 1958, the Committee, until further order, print from day to day, 750 copies in English and 250 copies in French of its Minutes of Proceedings and Evidence.

The chairman invited the Honourable A. J. Brooks, Minister of Veterans Affairs, to address the Committee.

Mr. Brooks welcomed the members of the Committee and introduced the officials of his Department. At the conclusion of his brief address the Chairman thanked the Minister for his attendance.

The Chairman then announced the appointment of the Committee on Agenda and Procedure composed of the following Members: Messrs. Dinsdale, Montgomery, Lennard, Kennedy, Rogers, Forgie, Cardin and Herridge.

He informed the Committee that the Subcommittee on Agenda and Procedure had met already and decided that until further orders sittings of

the Committee would be held on Mondays and Thursdays and that the first order of business would be consideration of the Estimates of the Department of Veterans Affairs.

The Committee then proceeded to consideration of the Estimates.

Mr. Lalonde was called and he supplied each Member of the Committee with (a) a chart showing the Head Office Organization and (b) A list of the Department of Veterans Affairs District Offices and also a list of the Veterans Land Act District and Regional Offices.

Mr. Lalonde was questioned at length on the administration of the Department.

Item 473 was then allowed to stand.

Item 474 was called. After consideration thereof the said item was approved.

Item 475 was called. Mr. Parliament and Mr. Lalonde were questioned thereon. After which the said item was approved.

Items 476 to 481 inclusive were allowed to stand.

Item 482 was called. Mr. C. F. Black, Superintendent of Veterans Insurance, was questioned thereon. After consideration thereof the said item was approved.

Item 498 was called. Mr. Parliament and Mr. Lalonde answered a few questions thereon.

At 12:35 o'clock p.m. the Committee adjourned until 3:30 o'clock p.m. this day.

AFTERNOON SITTING

The Committee resumed at 3:30 o'clock p.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Beech, Benidickson, Broome, Denis, Dinsdale, Forgie, Herridge, Jung, Kennedy, Lockyer, MacEwan, MacRae, McIntosh, McWilliam, Ormiston, Parizeau, Regnier, Roberge, Robinson, Rogers, Speakman, Sterns, Winkler.

In attendance: All officials of the Department of Veterans Affairs and of the Pension Commission listed in attendance at the morning sitting with, in addition, Messrs. T. J. Rutherford, Director, Veterans Land Administration; A. D. McCracken, Senior Administrative Officer, Veterans Land Act; J. G. Falardeau, Chief Treasury Officer, Veterans Land Act.

The Committee resumed consideration of the Estimates of the Department of Veterans Affairs.

Consideration of item 498 was continued. Mr. Parliament gave answers to questions thereon asked at the morning sitting. Whereafter the said item was approved.

Items 517 and 518 were called and were considered with Mr. Parliament and Mr. Mace under questioning. The said items were finally approved.

Items 481, 483 and 484 were called and severally considered. Mr. Garneau and Mr. Lalonde were questioned during consideration of the said items which were finally approved.

Item 485 stood over.

Items 486, 487 and 488 were called. Mr. Lalonde was questioned during consideration of the said items which were finally approved.

At 5:15 o'clock p.m. the Committee adjourned to meet again at 10:30 o'clock a.m. on Thursday, July 3rd.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

THURSDAY,
JUNE 26, 1958.
10 a.m.

The CHAIRMAN: Gentlemen, we have a quorum so I think we shall proceed immediately.

Before making any preliminary statements, let me say that we are fortunate in having the minister with us this morning. He is on leave of absence momentarily from a very important meeting so we shall dispense with some of the necessary preliminaries for the moment to hear from the minister.

However, first of all we must have a motion to authorize the number of copies of the printed record.

Mr. MONTGOMERY: Mr. Chairman, seconded by Mr. Thomas I move that, pursuant to the order of reference of June 23, 1958, the committee, until further order, shall print from day to day 750 copies in English and 250 copies in French of its minutes, proceedings and evidence.

The CHAIRMAN: We have the motion, is there any discussion? All in favour? Those contrary minded, if any? I declare the motion approved.

Now, at this time Mr. Brooks will give us a short statement and introduce the officials of his department who are with us this morning. If you please, Mr. Minister.

Hon. ALFRED JOHNSON BROOKS (*Minister of Veterans Affairs*): Mr. Chairman and gentlemen, first of all I must apologize for always seeming to be in a hurry when I come to my own committee. But there is a very important meeting this morning of the cabinet and I left it to come here.

First I want to welcome the members of this committee. I did so the other day so you will be twice welcomed or even thrice welcomed this morning.

I explained when I was before the committee a few days ago the work that we would probably have for the committee at this session.

First, I stated this would comprise the estimates. They have already been referred to this committee on veterans affairs. After that, there will be certain bills referred to the committee.

Our legislation will not be particularly extensive this year or at this session. We had expected that the session would not be too long and there would not be time to discuss a great many matters of legislation.

As you will notice on the order paper, there are a couple of resolutions at the present time. One deals with the Veterans Insurance Act which is the insurance act of course for the second world war veterans, the Koreans and others. Also there will be some amendments to the Returned Soldiers' Insurance Act which was the insurance act for the first war veterans. These will probably be before the committee within a very short time.

I hope also to have another bill which has to do with education for the children of the war dead. It has not been altogether decided on yet, that is, as to the particulars of the bill. But we hope to have it before the committee at a later date.

Now, we are very fortunate, I think, in having so many of the officials from the department able to attend these meetings. As a matter of fact we are very anxious that the committee receive all the information it can possibly get regarding the department.

Many of our members are new here and have not had the experience of some of the older members. In looking around I see there are very few of the older members of veterans committees here. I see a few who were with us in days gone by, but most of the others have fallen by the wayside and they are not with us.

We had some very able men on those committees in the past and it was through their efforts—regardless of party—that I think our veterans legislation in Canada is as good as it is.

We also had the assistance of the different veterans organizations and, as new members, you will have the pleasure of meeting them. They helped the committee and the governments considerably in the past in preparing legislation for veterans.

Without any more ado, gentlemen, I would like to introduce to you the members of the department who are here and I would ask them to stand up if they will, please. First we have Mr. L. Lalonde, our Deputy Minister of Veterans Affairs.

Next we have our Assistant Deputy Minister, Mr. F. T. Mace. Then the deputy chairman of The Canadian Pension Commission, Mr. L. A. Mutch. I might say that the chairman, Brigadier Melville, is away for a few days and he is not here. But he will be represented by Mr. Mutch, the deputy chairman. Mr. Mutch was chairman of the Veterans Affairs Committee in the House of Commons for a good number of years and he is very well acquainted with all veterans legislation.

Mr. HERRIDGE: That is why he voted absentmindedly on the previous resolution.

Mr. BROOKS: I never could understand his votes so I cannot try to explain them. We can agree on most things but we never could agree when it came to a vote.

Then we have Mr. F. J. G. Garneau, chairman of the War Veterans Allowance Board who is here to give us information on war veterans allowance which is a very important part of our legislation as you know.

Next we have Mr. G. H. Parliament, director-general of veterans welfare services, a most important position in the department.

Then we have Mr. F. L. Barrow, our departmental secretary who is a sort of man of many parts and who knows considerable about all the different branches of the service.

Next we have Mr. J. G. Bowland, chief of research and statistics.

Finally, we have Mr. C. F. Black, superintendent of veterans insurance. Mr. Black will assist us with the bills and also with the estimates.

Now, gentlemen, again with my apologies, I shall leave you to the tender mercies of the chairman. I wish you every success and I hope to attend this committee as much as possible. I certainly shall. Good luck to you all and thank you very much.

The CHAIRMAN: Thank you, very kindly, Mr. Minister for those words of advice. We shall now proceed to consider the business before us.

As the minister has indicated, the first "referral" to the committee is the departmental estimates. On Friday last the steering committee which is made up of myself, and Messrs. Montgomery, Kennedy, Rogers, Lennard, Herridge, Forgie and Cardin met, to draw up a plan that we can follow in the deliberations of the committee.

The first suggestion produced by the steering committee was that we should try to meet each week on Mondays and Thursdays. That would be the program to begin with; and then as the pressure of work increased, we might increase the number of our sittings.

In reference to the permission that was given to us to sit at the same time as the house, we shall use it with discretion. That also was indicated. But where possible, particularly during the period when we are considering estimates, we hope to be able to have afternoon sittings of this committee.

At the end of the deliberations today that is a point that we might consider. In reference to the activities today when the budget debate is proceeding in the House of Commons, it might be possible for this committee to sit at the same time.

The first item of business as I have indicated is our estimates to be followed by the legislative amendments so we shall now proceed to the consideration of the estimates.

You have an orders of the day memorandum, and in it I want to make a slight correction. You have the memo before you. It states that the items to be considered will be found on pages 85 to 88 inclusive, and also on pages 93 and 94—the latter is an addition to the memorandum that was circulated—in the book of estimates for the current fiscal year, the details of which are to be found on pages 597 to 619 inclusive.

Then there are also supplementary estimates. The veterans affairs items appear on pages 13 and 14 of the supplementary estimates.

Now I shall crave the indulgence of the committee if I may to have some of these items stand because of the fact we have not some of our officials here. The Chairman of the Pensions Commission, Brigadier Melville, is not able to be with us. I think it would be in the best interests if we stood the items relating to the activities of the pension commission until Brigadier Melville can be with us.

In addition Dr. Crawford the Director of Treatment Services is not here today. I think it would be helpful if we could agree to stand over any items relating to treatment services.

Then we have the battery of experts introduced by the minister who are in a very excellent position to provide us with all the necessary background information. At this time I take pleasure in calling upon our deputy minister, Mr. Lalonde.

Mr. L. LALONDE (*Deputy Minister, Department of Veterans Affairs*): Mr. Chairman and gentlemen, I would like to echo the words of the minister on behalf of the departmental officials.

We consider it a privilege to appear again before a parliamentary committee and to do our very best to supply you with the information which you will require in the course of your deliberations.

We have tried to gather all the information we have on all subjects pertaining to the department. But I ask for your indulgence if by any chance we are not able to give you certain statistics or to give you a reply to a certain question immediately. If that should happen, we shall be very glad to dig a little deeper into the mass of figures which our director of research and statistics has in order to provide the answer for you at a subsequent meeting.

I might add that, as far as the officials are concerned, we are also very pleased to have the opportunity to appear before this committee because we feel it will give us a chance to meet a lot of the new members of parliament who are veterans, like ourselves, and to get acquainted with them a little better and perhaps make it easier in the future to deal with each other on some of the problems which concern veterans and with which, I am sure, you will be seized from time to time.

Before we go to the first item in the estimates, I thought it might be useful if I took a few minutes of your time to explain the organization of the department.

In order to do that, perhaps in a more comprehensive way, I would like to distribute a chart showing the organization of the department both at head office and in the field, because the items in the estimates are so arranged that each vote deals with a specific aspect of the work of the department affecting a specific group in the organization.

There are two forms which have just been handed to you. The first one shows the head office organization. The second one shows the list of our D.V.A. district offices and also a list of the Veterans Land Act district and regional offices.

The reason we did not give you a chart for the district organizations is that they are patterned after the head office organization on a smaller scale. So that once you have the organization at head office, this pattern is repeated in each district office.

If you look at the chart for the head office organization you will see that it is divided into three parts. The first part on the left-hand side at the top of the page, shows the Canadian Pension Commission and the War Veterans Allowance Board which, as you know, are quasi judicial bodies, independent as far as their decisions are concerned, but reporting to parliament through the minister.

From the administrative standpoint however, the department, in order to avoid duplication, provides administrative services to the Pension Commission and to the War Veterans Allowance Board. But since they are separate units, they will be dealt with in separate votes in the estimates.

Then the second part, on the left-hand side of the page again, is the block comprising what I call the administration of the department; the deputy minister, the assistant deputy minister, the departmental secretary, the chief executive assistant, information services, methods and inspection; and then the four directorates, personnel, finance, engineering, and legal.

This block is what we call departmental administration and is dealt with under one vote in the estimates. So when we deal with vote 473 it covers this group.

The third group shown on the chart is what we call the branches. There are four branches in the department, all of them providing one type of service to the veterans.

The first branch is the treatment services branch. The second one is the Veterans' Land Act. The third is the welfare services branch, while the fourth is the veterans bureau with which I am sure you are familiar.

These four branches are covered by separate votes so that if you relate the chart to the estimates the administrative block is under one vote, but everything else is under separate votes. I wonder if there are any questions?

The CHAIRMAN: Have we any questions at this stage?

Mr. HERRIDGE: I forgot to congratulate you, Mr. Chairman, on your appointment. You have mounted another rung in the ladder of your ambition.

I notice here that there is an Atlantic region which includes the maritime provinces, and a western region. But there is no mention made of a Pacific region. Do you not think it should be more properly called "Pacific and western region"? Does it not rather minimize British Columbia?

The CHAIRMAN: Particularly in its centennial year?

Mr. HERRIDGE: Yes.

Mr. LALONDE: The answer is that we did not know how Alberta would feel about being called a Pacific province.

Mr. HERRIDGE: I suggested the title of "Pacific and western region".

Mr. McINTOSH: Would it be too much trouble to give us the names of the heads of these different branches so that we may write them down in the blocks beginning with the minister.

Mr. LALONDE: First, we have the deputy minister, Lalonde,—the assistant deputy minister, Mr. F. T. Mace; the chairman of the Canadian Pension Commission, Mr. Melville; the chairman of the War Veterans Allowance Board, Mr. F. J. C. Garneau; the departmental secretary, Mr. F. L. Barrow; the chief executive assistant, Mr. Dixon; information services, Mr. Way; methods and inspection, Mr. Laframboise; director of personnel, Mr. McCullough; director of finance, Mr. Walsh; director of engineering, Mr. Davison; director of legal services, Mr. Gunn; treatment services branch, Dr. Crawford; director of Veterans' Land Act, Mr. Rutherford; director of welfare services branch, Mr. Parliament.

Mr. CARTER: Does this chart indicate that the Canadian Pensions Commission has direct access to the minister, but the war veterans allowance board has not. Is that right?

Mr. LALONDE: They have, but because the War Veterans Allowance Board has been decentralized to the district authorities, the deputy minister is responsible for the employees appointed to the district authorities. So, the chairman of the board and the deputy minister act very closely in everything that is related to the Act, and we usually go to see the minister together. So he represents the board itself and I represent the employees who are members of the district authorities.

Mr. CARTER: Would that put the War Veterans Allowance Board on the same footing as the Pension Commission?

Mr. LALONDE: They have a separate act and their legal status is given to them by the War Veterans Allowance Act. This is just for the purpose of administrative convenience in the department. But we are very good friends.

Then we have the veterans bureau. The chief pensions advocate is Mr. Reynolds.

The CHAIRMAN: Does that complete that piece of information?

Mr. LALONDE: Yes.

Mr. HERRIDGE: Could you describe to the members of the committee how the various branches are decentralized and the administration in the various regions.

Mr. LALONDE: To describe this, Mr. Herridge, I think that I would have to take each group separately. Of course, the chairman of the pension commission will deal with the commission when he is here. I referred a moment ago, briefly, to the district authorities. The original decision on an application for war veterans allowance by a veteran or a widow is dealt with in the district.

About six years ago all applications for war veterans allowances were referred to Ottawa where they were adjudicated upon by the central board. It was in 1950 that the change was made. This we found took quite a bit of time, especially when dealing with far-away provinces.

For example, the processing of an application from Vancouver to Ottawa, and then the correspondence that ensued between the board and the district all resulted in what we thought were delays that should be curtailed if at all possible. It was then decided to decentralize the original adjudication and the act was amended to that effect.

Now, the application of a veteran or the widow of a veteran goes to the district office where they live. There is no delay.

There is a replica of the board called the district authority, empowered to hear that application and to look at the details of the application to see if it comes under the terms of the War Veterans Allowance Act. They make the

original decision. They can either grant the allowance for the amount to which the applicant is entitled or they can refuse it on the ground that the veteran or the widow is not eligible.

After they have done this they notify the veteran immediately, either that the allowance has been approved or that it has been rejected.

The applicant, if his application has been rejected, has the right in each case to appeal to the board in Ottawa and, as you will see when we get to the board's estimates, they hear a number of appeals each year. The board still lays down the policy that the district authorities will follow in dealing with applications. They are responsible for making sure that there is uniformity of interpretation of the act and regulations. We have reduced from three months to one month the average time which is used to take to deal with an application. So than an applicant who is in need of money will get his cheque, if he is eligible, within a month of the date he applied for it, retroactive from the date of application. The will not have to wait two or three months before he gets some money. Does that answer your question so far as the board is concerned?

Mr. HERRIDGE: Yes.

Mr. STEARNS: What is the situation when a veteran is not satisfied with his pension and he thinks that it should be re-examined for a higher pension?

Mr. LALONDE: You are dealing with pensions.

Mr. STEARNS: No, I do not want to bother the Ottawa branch, these should be directed in the first place to a local district branch. I just want to know where these requests should be directed—should they come here to Ottawa or to our local district branch.

Mr. LALONDE: A distinction must be made under the pension act. Where a veteran claims he has a disability or invalidity resulting from service, this is dealt with by the pension commission. I have nothing whatsoever to do with that. This is where Mr. Melville and Mr. Mutch come into the picture. They have a completely different set-up. It is their own show and they have their own procedure. All we do is supply them with personnel and accommodation.

The allowance which is administered by the board is decentralized. The pension awards are not decentralized. If you have any query about war veterans allowances it should go to the district in which the applicant resides. If they cannot supply the answer they then refer it to Ottawa. It may be that sometimes you will not be satisfied with a decision of a local authority. Then you should take it up with the chairman of the board directly in Ottawa.

Mr. HERRIDGE: I appreciate what has been explained to us. I have this in mind. Could we get the details of the administration of each branch? Could you give the committee an over-all explanation of the officials in each region, taking them one by one.

Mr. LALONDE: The organization?

Mr. HERRIDGE: Yes, so that members may know where to go. For instance, I have had persons say to me, "Who represents the Veterans Land Act in British Columbia?" and "Where is his office?" "Whom should I go to?"—and all that sort of thing.

Mr. LALONDE: I misunderstood your first question, Mr. Herridge. If you look at the list that we gave you you will see that the department in the field is divided into five regions. In each region there is a regional administrator who is the direct representative of the deputy minister in that region. He is actually responsible for the administration of that whole area, except of course for the pension commission. Every time I talk about departmental organization, the pension commission does not come into that. But, he is responsible for everything else.

Then under him he has—we will take for instance the Atlantic region—four district administrators; one in Newfoundland, one in Prince Edward Island, one in Nova Scotia and one in New Brunswick.

At the same time, in each of those districts, there is another man, a medical man, called the senior treatment medical officer. So that, under the regional administrator, you have in each district a district administrator looking after the administration of that district and a senior treatment medical officer responsible for the treatment in that district.

We either have a departmental hospital or a pavilion or some other arrangements in each district for the hospitalization of veterans. Both the district administrator and the senior treatment medical officer are responsible directly to the regional administrator for their respective duties in each district.

Under the district administrator there is a superintendent of welfare and a pension advocate and personnel officer. These are representatives of the various people shown on the head office chart—a representative of finance whom we call the budget control officer, and we also have a representative of engineering. There are also departmental solicitors in each district representing legal services.

In addition to that, the Veterans' Land Act is set up within the region with different district offices; the reason being that it has been found practical to have one Veterans Land Act district office, by province. While the other branches work by areas for their district office, the Veterans Land Act works by provincial boundaries and that is obviously because, while they are governed by a federal statute, they are dealing with real estate. They also have to take into account provincial laws concerning real estate and real estate transactions.

That is why we have shown on this list the Veterans Land Act district and regional offices separately. We have shown the regional offices because, as far as members of parliament are concerned, if there is a local problem to be dealt with, you may have a regional office with a regional supervisor right in your constituency. This would be the quickest way to take up a problem in your constituency—by going through the regional office first; because you may be sure that they will be familiar with that particular problem.

Of course, if you are not satisfied with the answer you get there you can go straight to the head office. For your convenience these regional offices may be located close to your own headquarters, and that is why we felt that you should have the addresses. Does that answer your question?

Mr. HERRIDGE: I might mention that while I was not underestimating the intelligence of the committee, there is a certain value in this explanation for the hundreds of Legion members who will receive these minutes. I think it is wise and good for the members as far as possible to have an idea of how the department functions generally.

Mr. MACDONALD (*Kings*): I wonder if the deputy minister could give us a run-down of the functions of the veterans bureau?

Mr. LALONDE: The veterans bureau is comparable with a lawyer's office. It is composed of a group of advocates who are available to all veterans, to represent them in presenting their cases before the pension commission.

They are available at no cost whatsoever and they are completely independent of the Canadian Pension Commission. You will note that I said a moment ago that the Canadian Pension Commission had nothing to do with the department. Well, by the same token, the veterans bureau, being under the deputy minister, has nothing to do with the pension commission. They do a great deal of work together. They must, because they are dealing with the

same problems, but they are entirely independent of the commission itself. They are somewhat in the position of a lawyer who would be engaged by a veteran at a fee to plead his case if he were arraigned before the courts or if he was before the civil courts; the only difference being that the veteran, the client, is not charged anything.

So every time a veteran feels that he has a claim for pension or that his pension should be increased, or has an application which he wants to present for adjudication by the pension commission, the veterans bureau is at his disposal at any time.

Mr. CARTER: Is the pensions advocate part of the veterans bureau?

Mr. LALONDE: We call the individual lawyers pensions advocates, to distinguish them from the departmental solicitors who are in the directorate of legal services.

Mr. CARTER: Does he report his activities to the veterans bureau?

Mr. LALONDE: Perhaps you might direct your questions to Mr. Reynolds, who is the chief pensions advocate.

Mr. MACDONALD (*Kings*): Is that service available in all the district offices?

Mr. LALONDE: It is, sir.

Mr. MACDONALD (*Kings*): I do not think that the veterans in our area know of those additional services.

Mr. LALONDE: In what area?

Mr. MACDONALD (*Kings*): I do not think that a lot of veterans in my area know that that service is available, other than the pensions advocate.

Mr. LOCKYER: That is a question I was coming to. I do not think that many veterans know that this service is available.

Mr. LALONDE: Perhaps the answer to this question could be confirmed by the deputy chairman of the pension commission. Practically all of the applications for pension are presented through the veterans bureau.

Mr. MUTCH (*Deputy Chairman, Canadian Pension Commission*): The majority are presented through the veterans bureau, and counsel whom you describe are advocates. They are the people you are talking about and who appear before us.

Mr. KENNEDY: How broad is the service of the veterans bureau? Are the services of the veterans bureau confined only to pensions?

Mr. LALONDE: It pertains to applicants for pensions only.

Mr. MONTGOMERY: It does not require legal services for veterans in any field.

Mr. LALONDE: No, just for pension purposes.

Mr. BROOME: Where is the appeal board shown in this chart?

Mr. LALONDE: The appeal board for pensions is part of the Canadian Pension Commission.

Mr. BROOME: It is part and parcel of the pensions commission.

Mr. LALONDE: That is right, sir.

Mr. BROOME: So the pensions commission appeal board refer it to themselves?

Mr. THOMAS: There has been in my mind a certain amount of confusion as to the status of these pension advocates. Some feel that they are serving the pension commission. Others feel that they are chosen by the Canadian Legion to represent the interests of the veterans only. Now, I wonder if the deputy minister could comment on that fully. Who pays the pensions advocate? Is there any control or influence over them exerted by local veterans' associations or are those pensions advocates paid and controlled by the pensions board?

Mr. LALONDE: To answer the first part of your question, sir: The Canadian Pension Commission has absolutely no control over the pensions advocate. The pension commission's relationship to that of the pensions advocate is the same as that of a judge to the lawyer before him. The judge of course has the last say. He renders the judgment, and the advocate pleading before him is in no way responsible to the judge and can put forward any evidence which he feels is pertinent to the case.

So that the answer to the first question is no. The pension commission has no control over the pensions advocate. They come under the deputy minister's jurisdiction; and I can assure you that I watch very carefully this very thing, because I have made it clear to veterans organizations when I have spoken to them, that this is one thing that is absolutely essential, that the pensions advocate retain his identity as a lawyer when he is presenting a case.

The answer to the second question is that they are chosen under civil service regulations in either open or promotional competition conducted by the department—by that I mean by the deputy minister and his staff. The pension commission has nothing to do with the conduct of the competition to select pensions advocates.

Mr. WINKLER: I think, Mr. Chairman, that a lot of confusion enters the question in regard to the smaller region branches, where they appoint their own advocate, having nothing to do with the department and thereby confusing a number of veterans. In many cases the veterans do not know the true function of the advocate of department.

Mr. LALONDE: You are right, Mr. Winkler. Those people are what we call service officers of the Legion. They are not pensions advocates. In some cases they have not the qualifications required to argue a case before a court, which an appeal board of the pension commission actually is. However, in those cases the service officers work through our pensions advocate, when the time comes to present the case to the commission. They may start the ball rolling on the application for pension, but eventually, before the case is argued in front of the appeal board, they come to us and say, "Will you carry on from here?" That has been our experience.

Mr. WINKLER: I think maybe this is a point which might confuse some members. Requests may come to them from legion branches that are not clear and as a result they work to the detriment of the veteran rather than to his advantage.

Mr. LALONDE: No, I do not think it works to the detriment of the veteran, because if eventually the pensions advocate handles the case, and feels that it was not well prepared in the first place, he will take the time to prepare a new summary of evidence that is acceptable to him. On the other hand, we in the department do not think we should discourage those service officers from bringing cases forward.

Mr. HERRIDGE: They do a good job.

Mr. LALONDE: Yes, they do a good job.

Mr. BEECH: I would hate to think that the legion was spending all this money on these service officers if they were not qualified.

Mr. LALONDE: They are not lawyers. They are well qualified service officers.

Mr. BEECH: There is one difference which should be pointed out. The legion service officer deals with all problems whereas the veterans bureau officer deals only with pensions.

Mr. LALONDE: That is quite correct.

Mr. MACDONALD (*Kings*): I wonder if I can explain the legion angle of it. The legion maintains a service bureau at their Dominion headquarters and the provincial command of the Ontario legion maintains a service bureau of its own at its provincial headquarters. Now that service bureau is maintained practically out of the poppy fund and obtains direct contributions from the government. That is in recognition of the fact that the legion branch must do a great deal of service in preparation of its work for pensioners.

I think we all realize that these legion branches cover practically the whole of the country, and these branch service officers who are naturally not lawyers in many cases and sometimes not too well qualified, but are usually the best well qualified men in the branch, do an outstanding service on behalf of the veteran.

For example in our own province we have one pensions advocate. He could not begin to handle all the problems in our province without the service bureau at legion headquarters. There is no conflict between the work of the service bureau of the legion and that carried out by the pensions advocate. There is a little confusion in the minds of some members of the committee with regard to how they function, but it is a full service provided by the legion. It is for the veterans. I know that the department appreciates the work that has been done through the service bureau, because they are covering large areas in the country where the legion branches are some distance from the veterans affairs offices and getting information out to them and doing work that would not ordinarily be done. It should also be pointed out that there is no conflict between the work of this service bureau of the legion and that of the pensions advocate of the Department of Veterans Affairs.

In a number of cases the various service offices send their pension cases directly to the dominion command service bureau and they present them directly to the pension commission or to the War Veterans Allowance Board. I would just like to point that out.

Mr. LALONDE: Mr. Chairman, I hope that I have not left the impression with the committee that the department felt the service officers of the legion were not necessary.

Mr. HERRIDGE: You did not by any means.

Mr. LALONDE: We work very closely with the service officers, not only at headquarters, but our district people also work very closely with the service officers in the field. So that I do not want to leave any wrong impression. As a matter of fact, Mr. Thompson, the chief of the legion service bureau, and Mr. Reynolds, are practically in each others hair all the time.

Mr. THOMAS: There is one part of my question that was not answered. It may have been answered indirectly but not directly. Who pays these pensions advocates? They are, I understand, servants of the Department of Veterans Affairs.

Mr. LALONDE: They are paid through a special vote coming under the administration of the department itself; a vote for which I am responsible. They are paid by the taxpayer.

Mr. MACDONALD (*Kings*): Are these services free to all veterans?

Mr. LALONDE: That is right, sir.

Mr. THOMAS: Some confusion arises from the fact that these departmental officials are known as pension advocates. The same term is used to describe the local officials who are chosen by the local veterans association.

Mr. LALONDE: Yes, you may be quite right there, except we do not have any control over the term that the legion or other organizations use to designate

their service officers. As far as we are concerned, we look upon them as service officers, but perhaps they like the title of "pensions advocate" better, and of course we have no control over that.

Mr. ROBERGE: Are these lawyers full time employees of the department?

Mr. LALONDE: In all the large districts, they are.

Mr. ROBERGE: Of course, if they are lawyers, they are members of the bar.

Mr. LALONDE: In Charlottetown, because the volume of work for the pensions advocate is rather small, we have a part time lawyer who gives us one half of his time. He works as a pensions advocate every morning, and he has his own law office to which he goes in the afternoon. The same situation applies to North Bay.

Mr. ROBERGE: It might be of interest to the committee as well as to all members if a chart could be prepared with the names of the lawyers for each district. Would it be possible?

The CHAIRMAN: At this point might we not leave some of the details concerning the veterans bureau activities to Brigadier Reynolds when he appears before the committee?

Mr. LALONDE: It would be fairly easy to provide you with a list of the lawyers.

Mr. ROBERGE: It might be of benefit to the members of the committee as well as to all members of the house.

Mr. HERRIDGE: I would like to have the details of administration with respect to each branch.

The CHAIRMAN: What the deputy minister is trying to do is to give a general survey of departmental organization. We are now under item 473, so may we not make our questions of a general nature at this time and delay our various enquiries until the officials of the respective branches are before us. It think that would be more helpful.

Mr. ROBERGE: Do these lawyers have access to the files of the applicants or must they work in the dark like defence lawyers?

Mr. LALONDE: No. They very definitely have access to the files because they are departmental employees.

Mr. McINTOSH: With respect to administration, suppose we have a problem relating to the War Graves Commission, or to the Army Benevolent Fund. To which branch would we refer it? I see no headings here for them.

The CHAIRMAN: We shall be considering the items under their respective titles.

Mr. McINTOSH: Which branch handles these matters?

Mr. LALONDE: They are not under any branch; they are not part of the department. The Army Benevolent Fund is handled by a board which is independent of the department.

Mr. McINTOSH: I notice an item in your estimates for Imperial Benevolent Fund; that comes under your department evidently?

Mr. LALONDE: Do you not mean the Army Benevolent Fund?

Mr. McINTOSH: And what about the Imperial War Graves Commission?

Mr. LALONDE: Yes, that is for the payment of Canada's share of the cost of the work of the War Graves Commission; but they have no employees in the department.

Mr. McINTOSH: Which department handles these things?

Mr. LALONDE: The directorate of finance provides the money.

Mr. BROOME: If we are going to browse around every item we shall be getting no place. I suggest that the questions be restricted to item 473.

Mr. McINTOSH: My question had to do with administration, Mr. Chairman.

Mr. HERRIDGE: The new "broom" is sweeping very cleanly.

The CHAIRMAN: Shall we proceed?

Mr. LALONDE: Actually, vote 473 covers the deputy minister's office and these groups on the left hand side of the chart to which I referred previously, administrative directorates and the departmental secretary's office. These are the people who provide the administrative services to all the branches in the department.

Mr. SPEAKMAN: I would like to ask the deputy minister a question because it deals with something which has always given me concern. I would like to have it explained to me why the Pensions Commission is an autonomy of its own. Why are they not responsible to the department in all matters?

Mr. LALONDE: This of course is a matter of government policy and I should prefer to wait for the chairman of the Pension Commission who has been made responsible for the administration of the pension act by parliament to give an answer to that question.

Mr. SPEAKMAN: I do not want to be told about the administration of the act because I have had some considerable dealing with it through my work. But I do want to know why this Pension Commission has been divorced almost entirely from the department.

Mr. LALONDE: As a matter of fact the Pension Commission existed before the department existed. It was formed by an act of parliament in 1919.

Mr. SPEAKMAN: But do they still remain a part of the department?

Mr. LALONDE: They report to parliament through the same minister. That is all.

Mr. ORMISTON: I would like to make the observation that it is obvious from the correspondence we receive that many veterans are not aware of the beneficial services which are listed here. Whether it is due to the fault of the offices of the legion or other administrative offices, the information certainly is not being disseminated properly.

Mr. LALONDE: Are you referring to any specific service or to the whole thing?

Mr. ORMISTON: I refer more or less to the services rendered by the veterans bureau.

Mr. LALONDE: It is hard to say. I was under the impression—

Mr. ORMISTON: In view of the correspondence which many of us are receiving, I said.

Mr. LALONDE: I am surprised to hear that. Of course, whenever a veteran comes to the department with a pension problem, whether he comes to a welfare officer or to someone under the Veterans Land Act, that veteran is immediately told to go and see a pensions advocate. They do that all the time.

A pension claim is the one thing that our welfare officers will not handle themselves. They turn it over to the pensions advocates because they are the experts.

I am surprised to hear that there would be many veterans who would not know about this. I have very very seldom heard of any veteran presenting a claim to the Pension Commission and using the services of an outside lawyer because he did not know that the pensions advocates were available free.

I have seen cases where a veteran might prefer to employ Mr. so and so as his lawyer and was willing to pay him. That is his privilege. But I have

never heard of a case where it happened because the veteran did not know he could have the services of a lawyer without charge. I am quite surprised to hear it.

Mr. MONTGOMERY: I wonder if these were cases where the veterans were not members of the legion but were living out in a back district. I know occasionally you will run into someone who thinks he should be getting a pension and he does not know where to go to take it up. But it does not take very long before he finds somebody who is able to direct him.

The CHAIRMAN: His member of parliament is usually helpful in that respect.

Mr. ROBINSON: At our regional office in London we receive 100 per cent in the way of service. It boils down to the fact that the officers in that office attend all the legion district meetings and are always represented there and they keep in touch with the administrative part of it.

Mr. BEECH: I wonder if there have not been some changes in the numbers in the different brackets here? I see there is a decrease of two in the total. Are veterans claims decreasing or remaining about the same, or how do you find them?

Mr. LALONDE: Generally speaking we feel that for the last four years the work of the department has levelled off, and it is pretty constant now. But aspects of the work change.

Some of the work that we used to do in connection with university training or veterans benefits following world war two has gone down but the work relating to war veterans allowances has increased.

But when you balance all these factors, the workload is pretty constant and we feel it will remain that way for at least another seven to ten years.

Then we may have to take another look for the period in between, because the world war one veterans will mostly have disappeared, while the world war two veterans will be getting a little older.

Mr. HERRIDGE: I do not like that remark about our disappearing.

Mr. LALONDE: I think I said that ten years from now it would be "mostly".

The CHAIRMAN: They just fade away.

Mr. LOCKYER: The question I was about to ask was to follow up with the general knowledge of the veterans bureau. I am getting letters from veterans, not so much by way of complaint, but by way of enquiry, as to delays. For instance, they appear before a board and then there is probably a period of three or four months which elapses when they do not hear. I wondered if they knew there was a pensions advocate why they would not go to the advocate about the delay.

Mr. LALONDE: I think we are confusing two things: one, the work of the advocate to present the claim to the Pension Commission, and the work of the Pension Commission in adjudicating on the claim. Those two processes are fairly complicated.

I wish you would agree to wait until the chairman of the Pension Commission and Mr. Reynolds are here to discuss these very technical problems.

Mr. LOCKYER: I was thinking of the continuity. Would the advocate pursue a case all the way through, or would he just present the case and then forget about it?

Mr. LALONDE: Oh no. I do not want to get involved in this too much, but I think you will find when the pension act is explained to you, that there are various steps for presenting the case of the claimant up to the appeal board, which is like a Supreme Court of the Pension Commission. Some of those

steps are dictated by the Pension Commission. Some of them are looked after by the pensions advocate. But I would not undertake to explain them because first of all they are outside my jurisdiction and secondly, I do not know enough about them.

Mr. MONTGOMERY: I think what is bothering Mr. Lockyer and the pensioners is the fact that the veterans bureau have nothing to do with the veterans allowance.

Mr. LALONDE: Absolutely not.

Mr. MONTGOMERY: Veterans are writing in to members saying that they feel they should have a pension when what they are really after is the war veterans allowance.

Mr. LALONDE: That is quite right. It is creating confusion.

The CHAIRMAN: Might we have spelled out more clearly the difference between a pension and the war veterans allowance?

Mr. LALONDE: I have always felt that this confusion originated when somebody used the words "burnt out pension" in referring to the war veterans allowance. That phrase originated a mistake which it has been very difficult to eradicate.

Whenever we talk about a pension we are talking about a pension for war disability; or death in other words, a man may lose an arm or may suffer an invalidity due to his war service, and for this he can get a pension following a decision by the Canadian Pension Commission.

As far as we are concerned, that is the only kind of pension you can get. And that is a pension as of right because you did suffer something from your war service.

On the other hand, the war veterans allowance is not a pension. It never will be, and never was intended to be. Perhaps I should not say "never will be"; but it certainly never was intended to be.

The war veterans allowance came into being for a group of veterans who have a certain type of service but may not have suffered any disability as a result of their service, and who are in certain financial circumstances, warranting an award of allowance.

A lot of people and a lot of veterans will write to their members of parliament and say "I want a pension", when in fact they want eligibility for war veterans allowance. In turn the member of parliament—and we do not blame him for it—will write to us and say "This man wants a pension".

So it goes to the Pension Commission and they say that there is no ground for a pension. Then the letter is forwarded to the War Veterans Allowance Board.

Mr. BIGG: Why cannot there be some liaison between the two?

Mr. LALONDE: It is being done every day. I receive a lot of letters asking me "Can't you get the decision of the Pension Commission changed?" All I do is refer them to the chairman of the Pension Commission and notify the person concerned.

Mr. McINTOSH: Because of the interruption I do not think I have yet received an answer to my question about administration. I asked to which branch I should refer a problem concerning the War Graves Commission or the Benevolent Fund.

Mr. LALONDE: If you had a problem concerning the War Graves Commission, you would refer it to the chief executive assistant. While he is not an employee of the War Graves Commission, he is our liaison man with the Canadian secretary of the War Graves Commission.

Mr. McINTOSH: And what about a problem in connection with the Benevolent Fund?

Mr. LALONDE: Our liaison man is Mr. Parliament, director of welfare services.

Mr. McINTOSH: Thank you.

Mr. BROOME: On page 597 I notice that the position of "chief of information veterans affairs" is no longer included for 1958-59 but in place of it we have two information officers. Is that simply a change in the wording or what is the reason for it?

Mr. LALONDE: It is because he was reclassified upwards. We have abolished the position of chief of information, veterans affairs and reclassified him as "Information Officer Grade 6".

Mr. BROOME: And an additional information officer is added.

Mr. LALONDE: That is because the department has now taken over the publication of what is called the Canadian Forces Medical Journal. We used to publish a small pamphlet in the department dealing with technical matters relating to treatment services. The Departments of National Defence and Health and Welfare were doing approximately the same thing on their own. So after consultation we agreed to centralize the whole thing in our department and to issue a medical bulletin each month that would cover the three departments. That is why we absorb the cost of the centralized publication of this journal.

Mr. THOMAS: I have a question concerning the procedure of the committee. Possibly this is the time for it, if not, you may direct it. At what stage in the proceedings do we have the right—if we do have the right—to enquire into such things as interpretation under the act or regulations? What I have in mind is this: in the granting of war veterans allowance, certain qualifications are required; for instance, service in both world wars is one qualification which entitles the veteran to war veterans allowance.

I know of one case where a man actually served in both world wars, but the service that he put in in world war one, we are informed, under the interpretation of "service" was not considered to be service although he was in uniform and spent some time there. When can he raise a question of this kind? Is that time now?

The CHAIRMAN: I think, Mr. Thomas, you would get much greater satisfaction if you waited until we were discussing specifically the war veterans allowance; that is item 483 or even 481. But now I am not quite clear about your question. If you are going to submit questions concerning government policy, I think we had better wait until the minister can be present to answer them.

Mr. THOMAS: Mr. Chairman, if the house is dealing with a piece of legislation, or if the house is going to sit in committee on supply, there are times when all these questions can be raised, that is, in a general way. Now I understand this morning we are being given a preview of this whole subject of the estimates for the Department of Veterans Affairs in a general way. May we ask our questions now or not?

The CHAIRMAN: I think you would get more information if you saved the details for questioning, under the respective items.

Are we finished with our general questions?

Mr. MACDONALD (*Kings*): There is an item of \$4,542 in the 1957-58 estimates which is excluded from the 1958-59 estimates. I do not see any comparable amount.

Mr. BROOME: That is on page 597.

Mr. LALONDE: We used to have what we called an inspection service and its functions were purely inspectional. They went to the districts to see if they were carrying out the procedures laid down by head office and carrying them out properly.

For the past two years we have been studying that method and we have come to the conclusion that we should change it and thereby get more beneficial results. The eventual decision was to abolish the inspection division as such and replace it with what we call the methods division.

We were able to get the services of a very capable man with a lot of experience in the field of methods and procedures. We appointed him chief of the methods and inspection division. His duties now will not be to go into the districts to check on what they are doing but to go into the districts to analyse what they are doing and to report to us and say, "We might improve our procedures in this way"—or that way.

If you will look a little farther up you will see a chief of methods and inspection division, veterans affairs. Now, if you look at administrative officers grade 3, above the chief of methods and inspection, you will see that we used to have four. We now have seven.

I might say that the inspection division was originally composed of five people. We have kept three positions, and we have given them a higher classification to enable us to have men in the methods division who would be capable not only of checking, but of suggesting improvements. The bodies are still there. As a matter of fact they are in a higher classification but they are filling what we consider to be a more useful purpose than the previous inspection division.

Mr. ROBERGE: There was an increase in salary?

Mr. LALONDE: Yes.

Mr. HERRIDGE: I should like to ask a question with respect to transportation costs. My experience would indicate that the department has been extremely frugal in that respect with its officials, particularly in relation to the Department of National Defence.

I recall on one occasion travelling in the same direction and to the same place as an official of the Department of National Health and Welfare and also an official of the Department of National Defence. I must say the allowance in one case was quite lavish, when compared with the other. Would the deputy minister tell the committee what the allowance is for transportation, use of cars, and things of that sort generally, and if in his opinion the allowance at times is such that it has caused a veteran's advocate or a veterans welfare officer to try to centralize his visits and have veterans travel some distance to see him. I have known, throughout the years, of one or two occasions where veterans have travelled up to 200 miles in order to see the veterans' advocate or in order to see his welfare officer. It was done in order to avoid that extra expense. Would the deputy minister mind explaining to the committee the system of transportation allowances, and if in his opinion it does on occasion prevent the visiting of smaller places as frequently as the district departmental officers would otherwise like.

Mr. LALONDE: Mr. Herridge, I was not aware that this sort of thing might have happened. There are two ways in which we pay travelling allowances. If the official of the department is travelling by public transportation, of course we give him a warrant and we pay for that. If he is travelling by a privately-owned motor vehicle, he receives an allowance of so much per mile and that allowance is laid down by the treasury board for all the departments, so that there will not be any difference between employees of other departments and employees of this department in this respect. The other expenses which he may incur are respect to room and board. There is no maximum laid down

with respect to room and board. There are guides which serve to remind the employees that they should not get a \$5.50 meal and hope to have it paid for by the treasury. As long as they are reasonable and present vouchers to show that they have spent so much, that is the amount that will be paid to them for travelling expenses.

Mr. HERRIDGE: I have one other question, Mr. Chairman, and it is this: Is the budget for the district office allowed for travelling expenses at such times that the official quite rightly tries to avoid long trips where he only has to see one or two veterans, and for that reason the veteran travels to see him.

Mr. LALONDE: Some time before we present our budget for the following year to the treasury board we ask all districts to estimate the amount of milage they anticipate asking for during the next fiscal year. We have found cases where, because of unusual conditions the allocation given to the district originally was not sufficient. In those cases we have tried to borrow from other districts enough money to enable the districts that were short to operate satisfactorily. We have also had to ask for money in further supplementaries from time to time, but not very often. It is a matter of planning, and I do not think that the veterans suffer because our welfare officers are able to go and visit them as they should.

Mr. HERRIDGE: I am not suggesting that it is a frequent condition but I have known on a number of occasions where veterans have had to travel 200 miles.

Mr. LALONDE: The veterans themselves?

Mr. HERRIDGE: Yes.

Mr. LALONDE: Would they come in on a call from the department?

Mr. HERRIDGE: Possibly in some cases; but in other cases they wanted to see the veterans advocate or the veterans welfare officer because he was not coming closer to them.

Mr. LALONDE: If we call the veteran in, we will pay his expenses. But if he wants to talk to us and he writes to the district office and says "I have something urgent," then they will send somebody out.

Mr. HERRIDGE: Yes, that usually has been my experience; but there have been a few occasions on which I thought the veteran was required to travel a bit more than he should have been called upon to do.

Mr. LALONDE: That, Mr. Herridge, is almost impossible to prevent, because preparing estimates is always a sort of guessing game as to what will happen a year from now. But we always try to look at the past pattern and also at the changes that we can foresee. We try to ask for enough, but not too much, because if you have great surpluses in your votes it is just as bad estimating as not having enough.

Mr. HERRIDGE: Ours is a very difficult country in which to travel.

Mr. LALONDE: Are you referring to the interior of British Columbia?

Mr. HERRIDGE: You have to travel long distances in order to see one or two people, and then retrace your steps. In most cases you cannot plan a route, as you can in other places.

Mr. LALONDE: Of course in the northern part of the province travelling in the winter time presents an additional problem. If you go far enough north we find the same problem in other provinces. Our travelling in the winter is curtailed quite often, but not by choice.

Mr. BEECH: I see that there is an increase in the cost of stars and medals. I believe that there are still some of the boys who have not got their medals yet.

Mr. LALONDE: That is a long story. As a matter of fact I can tell you that out of 3,146,000 medals which were struck after World War II we have

distributed approximately 2 million, leaving a balance of 1,200,000 medals. But the interesting thing, as most of you know, is that veterans are supposed to apply for their medals, telling us where they served, so that we can determine what medal they are entitled to. Most of the veterans who have a fair number of medals have applied and they have had their medals. But we still have 398,000 C.V.S.M. medals left and 527,000 war medals, 1939. As you well know, those are the two medals that are issued to practically everybody, and the people who are entitled only to those two, or to one of them, have not applied for them. We do not think that they ever will. We do not want to spend an extraordinary amount of money to try and contact these people.

What we have started to do is a long-range process of finding out the names of those who are entitled to more than two medals. We have been trying to get an address either through our files or through some other means so that we can send the three, four or five medals to which they are entitled. We started that as an experiment last year. We sent out 1,000 parcels like that and only 300 of them were returned. So we assumed that in 700 cases we had the right addresses because they were sent by registered mail.

It is an expensive way of distributing medals, but we are trying to get them out to those who are entitled to more than one or two. I do not think that we will ever distribute all the medals to all the veterans.

The CHAIRMAN: Gentlemen, we have had a fairly extensive discussion on item 473, and I am wondering if it might expedite if we leave this item open, so that as we carry on with our discussion and matters occur to you, you will not feel frustrated by being prevented from asking questions at a later time.

There are many new members on the committee and to a certain extent this is an educational experience. If the suggestion would help to facilitate our deliberations I am quite agreeable to leave item 473 open.

Some Hon. MEMBERS: Agreed.

Mr. THOMAS: We have just been discussing item 473. We are going to let that stand so that at any time we may ask questions on it.

Mr. ROBERGE: Item 473 will be left open?

The CHAIRMAN: Yes. We now come to item 474.

474. District Services—Administration—\$3,287,475.

Mr. ROBERGE: At page 597 you will see that there are five more lawyers in the department. I would like to say I am happy for them.

Mr. LALONDE: I am afraid, Mr. Roberge, that we do not have any more bodies. We used to have solicitors doing work only for the department, other than the Veterans' Land Act. In other words, they were doing work on the re-establishment credit cases or where legal services were required and side by side with them in another office we had a lawyer doing only Veterans' Land Act legal work. So, after a lot of studying we decided that a lawyer is a lawyer and he should be able to do any kind of legal work. We integrated the legal services for the whole department and we transferred all the lawyers in the field to this vote. You will find there are less lawyers under the Veterans' Land Act vote, but more lawyers under the district administration. They are now employed by anybody in the department.

Mr. ROBERGE: So it is a re-allocation?

Mr. BEECH: It would clarify matters if you took all the lawyers out.

The CHAIRMAN: Is there any further discussion on item 474—district services, administration?

Mr. HERRIDGE: I hope you do not think that I am asking too many questions. In respect of transportation in interior British Columbia, could Mr. Lalonde tell us how often it is generally planned for these officers to make a tour throughout that area for which they are responsible?

Mr. LALONDE: There are two types of officials who do a lot of travelling. One is the welfare officers group; the other one is the settlement officers group. I think, Mr. Herridge, you are more interested in the welfare officers group.

Mr. HERRIDGE: Yes, and Pensions Advocates.

Mr. LALONDE: Would you agree to wait until Mr. Reynolds is here to deal with pensions advocates. Mr. Parliament will deal with the Welfare Officers.

Mr. HERRIDGE: Yes.

The CHAIRMAN: Is item 474 carried?

Mr. THOMAS: Just a moment, Mr. Chairman. I notice that there are 19 personnel officers.

Mr. LALONDE: Mr. Parliament will give an answer to that when we come to that particular item, Mr. Herridge.

Mr. THOMAS: There are 19 personnel officers and 15 purchasing agents. I wonder if the deputy minister could give us an idea as to how those people are used?

Mr. LALONDE: The answer to this, Mr. Thomas, is that we have personnel officers in each district looking after all personnel problems of everyone in that particular district. He looks after the personnel at the district office, and the personnel in the hospital—by that I mean the nurses, the doctors and the orderlies. He is responsible for the whole personnel in that area. We only need a purchasing agent where we have a hospital. That is why we have 19 personnel officers and 15 purchasing agents. For instance, we do not have a hospital in Charlottetown, so we do not need a purchasing agent. That accounts for the difference between personnel officers and purchasing agents.

Mr. MACRAE: I notice that on page 599 there are district administrators of various grades, from one to six. I presume that the criteria there are that the amount of veterans services in that particular district depends on the grade of administrative officer or district administrator.

Mr. LALONDE: The first factor we take into consideration, Mr. MacRae, is the size of the district. The size of the district is affected by two things, the number of veterans in that area and the territory covered by that district. Both the number of veterans and the size of the territory have an effect on the number of employees that we must have in that particular office to cover the ground.

Of course, the more employees the district administrator has under him, the greater is his responsibility, and the more work he has. That is why you will find in your larger districts, such as Toronto, Montreal and Vancouver, that the district administrator is graded higher than, for instance, the next size, which would be London or Winnipeg, and all the way down the line, until you get to Charlottetown which is the smallest district in the whole of Canada.

Mr. MONTGOMERY: Does it depend on the number of years of service?

Mr. LALONDE: No, that has nothing to do with it.

The CHAIRMAN: Is item 474 agreed to?

Item 474 agreed to.

We now come to item 475.

475. Veterans' Welfare Services—Treatment Services—\$3,494,262.

Now we call upon Mr. G. H. Parliament who is the director general of veterans welfare services. He will answer all the necessary questions on this important branch of the department.

Mr. HERRIDGE: Mr. Parliament comes before parliament.

The CHAIRMAN: Mr. Parliament, would you like to make a general statement or do you prefer to wait for questions?

Mr. G. H. PARLIAMENT (*Director general, Veterans' Welfare Services*): I would like to wait for questions. Perhaps, however, I could answer Mr. Herridge's question regarding the time between visits of a welfare officer in British Columbia. The time between the visits of a welfare officer going out in British Columbia would depend pretty well upon the load that he carries. Ordinarily, we try to have a welfare officer, according to the district, visit his area, at the most, once every two weeks. In some districts it is three weeks and in others it is four. That is generally the way the visits are planned. I can specifically give you an answer to British Columbia, but at the moment I do not happen to have those figures here. Generally speaking, that is what the schedule is, and they are on schedule. The post office is notified, and also the legion branch is notified that the welfare officer will be in the area at a certain time. The unemployment insurance veterans officer is also notified, and here is pretty general information as to when the welfare officer will be there.

Mr. HERRIDGE: In that connection, Mr. Chairman, I have heard no complaints about the welfare officers visiting the district. The veterans are very well satisfied. I have heard, on a few occasions, that in some of the smaller places they should receive more frequent visits than at the present time. I think they come from the coast to Trail, Nelson, Cranbrook and Fernie and it might possibly be a couple of months before they go to a place like Nakusp, or some other outlying place. That is what I am informed and I bring that to your attention.

Mr. MACDONALD (*Kings*): One of the members previously asked about the army benevolent fund. I think Mr. Parliament's branch has some connection with it. I wonder if he could explain how the welfare services handle problems with regard to the army benevolent fund.

Mr. PARLIAMENT: Applications to the army benevolent fund may be made directly to the army benevolent fund, or they may be made through the legion branches, or through the soldiers settlement officers, Veterans' Land Act, and veterans office of the U.I.C. Or we may pick them up in the field when we are investigating some particular case. The army benevolent fund may ask us to give them a report, or they might ask the Soldier Settlement Board particularly in farm cases. We make a report—a factual report without recommendations. A decision is then made by provincial committees of the army benevolent fund in each area. I think they have one in Charlottetown. There is only one office in Ontario. All the decisions in Ontario are made in Toronto. They have some other representatives to whom we can talk and from whom we can get ready action from the army benevolent fund. That is the way they do it.

The air force and the navy benevolent funds, on occasions, will ask us to investigate, but not all their cases. The navy do many of them themselves by their senior naval ratings in the particular district. The air force benevolent fund have several committees and they deal with them. If they want us to carry out an investigation we will take over the job and furnish them with a report. But, they make the final decision in all of these cases—the army, navy and air force benevolent fund boards.

Mr. WINKLER: May I ask exactly what type of cases would be handled by these organizations.

Mr. PARLIAMENT: Do you mean the policy of the benevolent fund?

Mr. WINKLER: Yes.

Mr. PARLIAMENT: The policy of the benevolent fund is pretty hard to define. They have a general direction for people that are in need.

Mr. WINKLER: It has a broad application.

Mr. PARLIAMENT: Yes, it has a broad application. I should like to emphasize that the three benevolent funds insist as far as possible that they get a permanent solution. The army benevolent fund wants a permanent solution. The air force and the navy are not quite so restrictive. They are private funds, and do not come under the Minister of Veterans' Affairs. They do furnish a courtesy report of their funds annually, but they do not in any way come under the minister. I think probably at times they would handle more cases than the army benevolent fund who are restricted by an act, and who can only go so far.

I think I should emphasize this, that if a man had service in any of the other services, the two funds or the three funds would get together and try to arrive at a joint solution.

In addition to this the army benevolent fund will try to make settlements with creditors so that they can make a grant that will clean up the whole situation, if they possibly can. We do not do that. That is entirely up to them.

Mr. WINKLER: There are situations that are beyond your department?

Mr. PARLIAMENT: Yes.

Mr. ORMISTON: I notice in the case of "Clerk 3" in the United Kingdom that the salary is less this year than last year. Is that a decrease in salary or is it due to exchange?

Mr. PARLIAMENT: Frankly, I have never looked into that. Could it be an exchange fluctuation? I will get you the answer. I am wondering just what it is. There is only one clerk Grade 3 in the United Kingdom.

Mr. ORMISTON: The fact is that he is paid less than the clerk Grade 2 in Canada and should he come back to this country he is not in such a preferred position.

Mr. LALONDE: He would not be a Canadian, sir. He is a locally employed man.

Mr. ORMISTON: He is a Britisher, yes.

Mr. MACDONALD (*Kings*): On the question of the benevolent fund, perhaps it should be pointed out that the benevolent funds are more or less assisted in their administration by the Department of Veterans Affairs. However, the D.V.A. does not set them up and does not have direct responsibility. The administration of those funds is assisted by D.V.A.; is that right?

Mr. PARLIAMENT: In so far as investigations are concerned.

Mr. MACDONALD (*Kings*): And the funds differ slightly in that they are set up from the balance of the canteen funds—from the services involved. Each service sets up its own fund—army, navy and air force and so on. They are in some cases revolving funds,—in other words nothing is being added to them and they are set up so that the fund will last for a certain period of years. The army benevolent fund is, in particular, just for emergency measures. They are not for continuing assistance.

Mr. MACRAE: I just want to speak about the army benevolent fund. I think it is one of the most interesting pieces of support there is for veterans after the war.

I remember Colonel Lalonde was on a committee, along with myself, and several others, who met in Quebec city. Of course several million dollars were available.

The discussion was brought forward that it should be put on a basis, as was mentioned. It worked out at so much money every year. When the last

veteran died the last dollar in the fund would be expended. I wonder, Mr. Parliament, if they did go into that at length. Are they allocating their funds at so much every year or are they restricted for the A.B.F.

Mr. LALONDE: Yes, Mr. MacRae, I know the answer to that one.

The original planning was done on the premise that the capital placed in the trust fund plus the forthcoming interest on an actuarial basis would last, as the act lays down, for 50 years. This was done in 1947 and since then the board, in planning their expenditures each year, have tried to follow the pattern set at that time. Their only difficulty—and it is a real one—is that in 1947 the dollar was worth a dollar but in 1958 it is not worth a dollar anymore. We are in the process of discussing this problem with the members of the Army Benevolent Fund Board and the minister to see what can be done to obviate this problem which has arisen or to solve it partially.

It is just a question of having so much money spread over so many years and now that amount of money will not do what it was intended to do because of the higher cost of living.

Mr. BEECH: Mr. Chairman, am I correct in saying that the veterans' welfare not only handles the vote under the control of the government but will assist the veterans in getting funds from such sources as the Ontario canteen fund.

Mr. PARLIAMENT: That is part of duty of the welfare officer—to solve the over-all problem and he does make use of this fund.

Mr. THOMAS: May I ask the name of the act which sets up that fund?

Mr. LALONDE: The Army Benevolent Fund Act.

The CHAIRMAN: I believe the members have copies of each of the acts.

Mr. ROBERGE: It is chapter 10 of the revised Statutes of Canada, 1952.

Mr. HERRIDGE: I was asked to ask this question of the proper officer by the zone council, in my constituency of the Canadian Legion. What would Mr. Parliament's branch do in the event of an aged and ailing veteran needing medical treatment who had served in the first world war who was not entitled to war veterans' allowance knocking on the doors of the Shaughnessy hospital for admission while there was some gentleman inside who fought against us in the last war. What would his department do for that aged, ailing veteran. Would he be cast into the streets while others were getting services.

Mr. SPEAKMAN: Why would he not be eligible for veterans' allowance? The act has been broadened.

Mr. HERRIDGE: I am sure he would not be eligible for hospital treatment because he was not eligible for war veterans' allowance.

Mr. LALONDE: Mr. Herridge, is this a hypothetical question?

Mr. HERRIDGE: No, this is based on fact.

Mr. LALONDE: If it relates to the case to which I think it relates, the answer is that the man did not need treatment.

Mr. HERRIDGE: Yes, but, Mr. Chairman, the deputy minister is quite correct.

There are cases such as that in this country of veterans who volunteered in the second world war who did not go overseas, or if they went to England were not entitled to war veterans allowance, were not entitled to admission to a departmental hospital. This is correct, is it not?

Mr. PARLIAMENT: Yes.

Mr. HERRIDGE: He is an ailing aged person who volunteered to serve his country and cannot be admitted to a hospital because of the regulations. As I said before, at the same time some gentlemen who fought against us are quite comfortably inside as a result of cooperation with the Department of

Citizenship and Immigration. What does the welfare branch of the Department of Veterans Affairs do to assist that veteran, or whom do they put him in touch with?

Mr. ORMISTON: Send him back to Saskatchewan and he would get free hospitalization.

Mr. BEECH: That has been taken care of since July 1.

Mr. LALONDE: Well, Mr. Herridge, the way you put your question does not make it any easier for me to answer. Actually, a veteran who served under certain conditions will be entitled to in-patient treatment under certain sections of the treatment regulations, such as section 13 or section 23. The test as to whether he pays something or not is a means test under section 13. Under section 23 he has to pay the daily cost. But the veteran who has the type of service that has no effect on whether or not he needs to be treated today, and is, as you have put it, an indigent case surely he is entitled to the same coverage as any Canadian citizen, and as such should be admitted to any hospital in British Columbia, if he has lived there for a while, in the same way that, after the plan comes into effect in Ontario on January 1, every citizen of the province of Ontario will be entitled to treatment in that province.

We are perhaps getting involved in a question of policy and I should not express an opinion on policy. But let me put it to you as a question: was it parliament's intention that, for every man who had donned the uniform during any of the wars, the government or the country would guarantee them hospitalization for anything that happened to them for the rest of their lives?

Mr. HERRIDGE: Was it parliament's intention that a veteran in that category, at least a Canadian citizen who volunteered to serve his country, should be denied admission to a hospital full of empty beds, while another man who fought against Canada is provided for?

Mr. LALONDE: We are getting involved in the field of policy and you have me at a disadvantage there.

Perhaps we might get together on that later on, Mr. Herridge.

Mr. MONTGOMERY: The interpretation of the act is a matter of law.

The CHAIRMAN: Mr. Herridge; perhaps we might pursue this query if you wish when the minister is here. It is fringing on policy.

Mr. HERRIDGE: Yes.

The CHAIRMAN: And it also seems to border on treatment services which is not before the committee at the present time.

Returning to veterans' welfare services, have you any further questions?

Mr. MONTGOMERY: I have a question, Mr. Chairman. From your information I notice that the United Kingdom office of the Department of Veterans' Affairs maintains an office in London.

Mr. LALONDE: Yes, Mr. Montgomery, we have a district office in London, England. It is set up on the same basis as our other district offices except that it is not part of any region. It is an independent district under a district administrator, Mr. Alan Chambers, who is responsible for everything that has to do with the department in England or on the continent.

The CHAIRMAN: Are there any further questions?

Item 475 agreed to.

The CHAIRMAN: Item 475 has been agreed to.

Now the next item comes under treatment services and, as I explained at the beginning of our sitting this morning Dr. Crawford is not available at the moment so may we proceed to item 482? The reason we are skipping item 481 is for the purpose of orderly procedure. We can discuss item 481 when we consider items 483 and 484 so as to avoid duplication of discussion, if that meets with the approval of the committee.

Item 482 follows in logical sequence because it does come under welfare benefits. That means that we still stand items 476, 477, 478, 479, 480 and 481 and proceed to item 482, veterans' insurance.

We have Mr. Black, who is the superintendent of veterans' insurance, to answer any questions on this item.

482. Veterans Insurance—\$80,602.

Mr. MACRAE: I wonder if Mr. Black could tell us how many veterans of World War II took advantage of the opportunity to purchase insurance under the veterans insurance arrangement and the total volume of protection, if he can give that figure.

I am rather of the opinion that not too many did. Possibly I am wrong. That is why I am asking that question.

Mr. C. F. BLACK (*Superintendent, Veterans Insurance*): As at March 31 of this year, the balance in force is 28,778 policies and the amount of insurance is \$87,049,278.

Mr. MACRAE: That is the total of both wars, I presume?

Mr. BLACK: No, World War II only. That is veterans insurance. There is a distinction. The total number issued up to March 31 was 42,399 policies for \$133,580,000. The difference, of course, represents the various types of terminations.

Mr. MACRAE: Is it still possible for veterans of World War II to take advantage of this insurance? Is it still possible? The plan is still open, of course.

Mr. BLACK: The plan is open to certain classes of veterans. It has expired for a large body of veterans. It generally expires ten years after their discharge.

Mr. STEARN: Are they accepted for medical examination if they fall within the age limits now?

Mr. BLACK: They are virtually accepted without a medical. There is a schedule in the act that provides for certain medical standards. However, the standard is so low that we have refused only 72 applicants.

Mr. MACDONALD (*Kings*): Further to Mr. MacRae's questions, what classifications are still open and what is the cut-off date?

Mr. BLACK: There are two or three classifications open. Those veterans who still have enough unused re-establishment credits to pay a premium, have until 15 years after their discharge—or until January 1st 1960 if later—to obtain this insurance. There are certain members who remained in the permanent forces and who have been discharged after the general discharge date who are still eligible. Their 10 years have not yet expired. The Korean veterans were also given the privilege of obtaining veterans' insurance and their eligibility, at the present time, expires in October of his year.

Mr. BEECH: Is there some deduction made from the amount of the insurance where pensions are paid? Was there any discussion about that?

Mr. LALONDE: That is one of the things under consideration, Mr. Beech.

Mr. BEECH: Thank you.

Another point, I understood there was some quarrelling about where people have been paying for straight life insurance where it is possible that they pay in more than what they get at the end, when the person dies and yet they do not get any benefit. If they pay in, say \$1,200, they only get \$1,000 back.

Mr. BLACK: As with all life insurance, rates are calculated on an actuarial basis. As you know, the older a man is, the shorter becomes his future expectation of life. As a result, the older the man, the higher the premium. If a person at an old age takes out a policy, he pays a higher

premium. If, by good fortune, he survives longer than the general expectation, he in many instances, not only in veterans insurance but in general life insurance,—non-participating, such as this is—pays more than the face amount. You must remember too, that if he had died shortly after taking out the policy we would have paid out the face amount—and the majority of old policy holders do die in the fairly early years—and that those who have survived have had protection.

Mr. HERRIDGE: I am willing to keep on paying for my policy. I am alive.

Mr. BLACK: Perhaps I might mention that the above applies particularly when it is a long premium term such as ordinary life, or as in this case, it is paid up to the age of 85. The vast majority of our policies are on limited premium terms, some at 10 to 15 years, and a person in an older age bracket is well advised, if he can afford it, to pay a somewhat higher premium and to have a shorter premium term.

The CHAIRMAN: Are there any further questions on item 482?

Item 482 agreed to.

Now, gentlemen, we move to item 498 which comes under veterans' benefits. That is on page 87. Have you any questions.

498. Terminable Services

Veterans Benefits, including assistance and the training of certain Pensioners under regulations approved by the Governor in Council.....	\$1,050,000
(S) War Service Gratuities (Chap. 289, R.S.).....	\$ 10,000
(S) Re-Establishment Credits (Chap. 289, R.S.).....	\$1,650,000

Mr. MACRAE: Is that item of \$10,000, war service gratuities, administration or is that all that is expected to be paid? What is that amount?

Mr. PARLIAMENT: That is all that is expected or anticipated to be paid this year.

Mr. MACRAE: That has all been paid.

Mr. PARLIAMENT: It has been going down generally over the last few years and we think that 10,000 will be enough to pay all the applications we will get for war service gratuities for World War II.

Mr. MACRAE: No war gratuities are paid to the regular force personnel on discharge now, or am I wrong in that?

Mr. PARLIAMENT: I think we have got all the Korean veterans paid up. So I think there are no applications outstanding in the regular force.

Mr. MACRAE: And the regular force members do not get a gratuity on discharge?

Mr. PARLIAMENT: No they do not.

The CHAIRMAN: Are there any further questions under this item which includes, as you notice, statutory items such as war service gratuities and re-establishment credits?

Mr. MACRAE: I want to ask Mr. Parliament about the re-establishment credits. Has any attempt been made by the department to persuade people—I see there is a considerable amount of money left in re-establishment credits. Is there any compulsion—that is not the word—attempt to persuade people to take re-establishment credits or is it just a matter of, if a man applies, all right, and if he does not, it is still all right?

Mr. PARLIAMENT: Partially so, Mr. MacRae. I do not think we can use the word "compulsion" because if we did we would deprive a man of his rights to apply for veterans insurance. However, we have reviewed cases recently and right now I have welfare officers interviewing every veteran who has a re-establishment credit of \$500 or more. We are trying to find out why he is not using it.

As you know, according to the present act, it expires in 1960 and we feel that it is a good step in the right direction. We are getting some useful information out of it. We are still getting veterans who know they have a credit available and they are holding it to buy homes or to settle under the V.L.A. and we hope our staff will have a pretty good answer by this fall.

Mr. MACRAE: You have answered this question I think, Mr. Parliament. I think it is time well spent, because if the time does eventually expire we can see the administrative problem which will be involved and the amount of correspondence with members of parliament and others in respect of those chaps who did not get their re-establishment credits and the pressure that would be brought to bear by various people to get them.

Mr. PARLIAMENT: I should say, too. In this review, we asked the districts to look into what were some of the contributing factors for people not applying. We got the benefit of their advice as they had spoken to the veterans concerned. Under the direction of the deputy minister we reviewed the regulations and I think we broadened the use of some re-establishment credits which might tend to increase applications.

Mr. SPEAKMAN: You mentioned veterans retaining it against the possibility of applying under the terms of the Veterans Land Act. They are still required to forfeit their re-establishment credits to establish them under the Veterans Land Act. Is that correct?

Mr. PARLIAMENT: I do not think you can say "forfeit". You cannot have both. That is another way of putting it. You must have restored your re-establishment credit, or have never used it to apply for the Veterans Land Act.

Mr. SPEAKMAN: I am going to present the case, Mr. Parliament of the veterans who have no re-establishment credit and who are still entitled to settle under the V.L.A. How you justify that?

Mr. PARLIAMENT: I do not know if V.L.A. would take them. It is used as re-establishment but it is unknown to me if V.L.A. are doing this.

Mr. THOMAS: In connection with that, there may be something under the National Housing Act which might cause that confusion.

Mr. PARLIAMENT: Under part 2 of the act you can build your own home without using re-establishment credits. I forget about part 2 of the act.

Mr. LALONDE: I do not think that your example is quite correct because everybody who served has re-establishment credits which vary in amount.

Mr. SPEAKMAN: I am going to have to disagree with you on that. They do not. National Resources Mobilization Act people do not. I have been waiting a long time to get this in.

Mr. LALONDE: You have to go back to the intent of parliament when they approved the Veterans Land Act in 1942. It was twofold. This is not a matter of opinion, I am just relating the background and the purpose of the Veterans Land Act. One purpose was to serve as a rehabilitation benefit, of which there were three; alternative training, either university or vocational; Veterans Land Act establishment or re-establishment credit for those who either did not want or did not need an establishment on the land or university training.

In other words, there were three things you could choose from. The reason why they were made alternative benefits was so that everybody would have one of the three. You could not expect to have both university training and an establishment under the Veterans Land Act. You could not expect to have both university training and re-establishment credit.

When parliament passed the Veterans' Land Act, the other purpose was the development of agriculture after the war. That is why they extended the

provision of the Veterans Land Act to certain groups who were not entitled to the other two benefits. This was done to encourage more people to go back to the land.

Mr. MACDONALD (*Kings*): Mr. Chairman, I would like to ask Mr. Parliament if the department has ever notified these people that they have a balance of re-establishment credit. I would also like to ask a second question: Do you expect to be able to contact all these people who have not as yet drawn their re-establishment credit?

Mr. PARLIAMENT: This is one of our big troubles; no one knows where they are. In some cases we are finding out that they are dead. Some married men have died and the department has not been notified. We can make that re-establishment credit available to the widow or the children, or the mother if she was dependent, but we are still having trouble in locating these people. They just seem to have disappeared. Nobody knows where they are. The department has no address. We have checked in the head office files and in the district files and we have been unable to locate them. These are some of the problems with which we are faced.

In so far as the question of notifying these people, I think it is dangerous to send an ordinary letter out to a man notifying him he has some benefits. If the letter is not delivered to the right person, there is a possibility that we could be paying a re-establishment credit to a person who could not identify themselves other than by the letter. I think there is a real danger in that, and that is why we are asking our welfare officers on a low priority to visit the areas and try to locate these people rather than do it by mail. They are doing it on a very low priority basis, and as they are in the area they are going to try and find the individual if they can.

Mr. MACDONALD (*Kings*): What I had in mind was, for example, a bank. If a man has a balance there and it is not attended to, they notify him at certain intervals. I feel a veteran should be notified. I do not agree entirely with your point of view.

Mr. PARLIAMENT: Do you not think it is a little more desirable by actually calling on the last address we have. In that way we can probably locate him. In many cases, letters which we have sent out are returned to us marked "address unknown". When we go to a storekeeper or a post office, we are usually able to find out where the man is or if he has moved to another district.

Mr. MACDONALD (*Kings*): You feel you can cover all of them?

Mr. PARLIAMENT: Yes.

Mr. MONTGOMERY: Mr. Chairman, is it the policy of the department that a veteran may still pay back his re-establishment credit and then establish himself under the Veterans Land Act?

Mr. PARLIAMENT: Until 1960.

Mr. BEECH: I wonder if Mr. Parliament would just indicate some of the things for which a man can use his re-establishment credit.

Mr. PARLIAMENT: The purchase of a home, the retirement of a mortgage on his home, furnishings—by that I am talking of furniture. He can use it for work tools for his trade. There is a very wide interpretation as to what working tools might be. For example, supposing a man is an office worker and he unfortunately breaks his glasses. He has to have his glasses and we can buy those glasses for him, if there is no other entitlement to it, as working tools of his trade. It can also buy some work clothes for some men. It can also be used for repairs and modernization of his home. He can purchase a business. He can pay his insurance premium, if it is a policy under the department. He can buy certain educational equipment. There is an order in council that is not in the act whereby for a certain selected

group we can allow them to purchase clothing. Another benefit under the regulations of the department is that on any balance less than \$25 we can pay him in cash. We are using every possible method that we have at the moment.

Mr. ROGERS: How much cash does he have to put up himself?

Mr. PARLIAMENT: In the purchase of a home it is two-thirds. We can give him his credit for one-third, and in the case of furniture it is 10 per cent. The retirement of a mortgage would be dealt with in the same way. In regard to the purchasing of working tools, equipment and things like that, he does not have to put up any money whatever.

Mr. HERRIDGE: We have been sitting two-and-a-half hours and out of consideration for the staff, and the official reporters, and in order not to hasten the demise of the First World War veterans present, I move that we adjourn.

The CHAIRMAN: Before we put that motion, what about this afternoon's session?

Mr. ROBERGE: Is anybody else sitting this afternoon?

The CHAIRMAN: We have the officers available. We have a budget debate in the house. Would it be possible to carry on at 3.30?

Agreed.

The CHAIRMAN: Now, gentlemen, when the committee rose this morning we were discussing item 498 and we shall continue from that point, if you please.

Mr. HERRIDGE: May I ask the members of the committee to speak louder, first on account of the Hansard reporters and secondly, for the sake of the rest of us. This morning it was very difficult for us to hear down at this end of the table.

The CHAIRMAN: That is a very good point. This is a difficult room in which to hear; if the members of the committee will follow that advice we shall get along much more happily.

Mr. ROGERS: May I ask a question supplementary to the one I asked this morning concerning the cash payment of re-establishment credits. I wonder if you have given consideration to the expenses involved with those cash payments or to the amount that has to be put up in connection with re-establishment credits.

Mr. G. H. PARLIAMENT (*Director-General, Veterans Welfare Services, Department of Veterans Affairs*): What is that please?

Mr. ROGERS: There are a number who have not applied for their re-establishment credit?

Mr. PARLIAMENT: Yes.

Mr. ROGERS: Has any consideration been given to dispensing with the amount which has to be put in by the applicant in order to get his re-establishment credit?

Mr. PARLIAMENT: The applicant has to put up one third of the equity.

Mr. ROGERS: I know.

Mr. PARLIAMENT: I do not think that question came up among the questions we asked the district officers at the time. One third appeared to be satisfactory to most of Quebec. But if you have some cases, we would like to hear about them, and this is the place to find out.

Mr. ROGERS: I know that quite a few have given the reason for their not asking for re-establishment credits as this: that they have not got that part to put up themselves.

Mr. PARLIAMENT: This is for the purchase of a home, I take it?

Mr. ROGERS: No, for the purchase of furniture.

Mr. PARLIAMENT: Well, they only have to put up ten per cent in the case of the purchase of furniture.

Mr. ROGERS: I wondered if any consideration of this small amount had been given to do away with it—to dispense with it?

Mr. PARLIAMENT: Mr. Herridge could put me right about this because I was not in Ottawa at the time the original re-establishment credit was set up. At the time the legislation was being considered by the Veterans Affairs Committee, it was one third for furniture; then a resolution was made in the Veterans Affairs Committee reducing it to ten per cent. That is the only change there has been on furniture since the inception of the legislation in 1944-45.

The question has not come up since then officially. It may happen in the districts and you are quite right, but it has not been passed on here. It has not been a big problem, I think. I know I was in the district for a year and a half before I came to Ottawa and it was never a serious problem then. The one district I was in was Toronto.

Mr. LALONDE: This would require an amendment to the act. But I think it is a very good point for us to study in prevision of the time when the act may again be opened.

Mr. ROGERS: The reason I raise it is that I worked for a number of years and I know that veterans were not applying for their re-establishment credits.

Mr. LALONDE: Originally this was put in so there would not be too much traffic in furniture, which, as you know, was the case in certain instances. It was not a great problem.

But it does not exist any more. I can assure you that we shall certainly look into it to make recommendations for the future.

Mr. MCINTOSH: Supplementary to that, this question may have been asked this morning after I left, because I had to leave to go to another meeting, but has any effort been made to contact those veterans who have not drawn their re-establishment credits?

The CHAIRMAN: It was discussed thoroughly this morning, Mr. McIntosh. Now, Mr. Jung.

Mr. JUNG: Speaking as a veteran who has benefited greatly by the rehabilitation program sponsored by the government, I wonder if there has been a survey made of the rehabilitation program undertaken by the government to ascertain the progress made by these veterans bearing in mind the shortage of trained personnel in Canada, particularly of those at university level.

I am interested in the number of those who have received training, in what it has cost the government in the professions which they have chosen, and also in the number of failures following it. I wonder how much of this information might usefully be forwarded to the government in order to help the government to formulate a policy with respect to future grants to universities, either by way of enlarging the present grants in the form of more money or of some other kind of grants to encourage not only veterans but also young Canadians to attend university who otherwise, through financial circumstances, might be unable to do so.

Mr. PARLIAMENT: I can answer most of this question. I can break the professions down with respect to the children of the war dead, but I have not got the actual breakdown for veterans of world war two. For university training we had approximately 60,000, and about 81,000 under vocational training.

University training numbered 54,000 and at the present time we have—we are estimating on 1,150 children of the war dead as being the total program,

nevertheless the actual figure is 1,166 at the present moment. I do not know whether this would be helpful. I shall get those figures for you.

Mr. JUNG: I would appreciate it, thank you.

Mr. PARLIAMENT: Would you like to have the total cost as well?

Mr. JUNG: Yes.

Mr. PARLIAMENT: Vocational training was done at a cost of \$53 million, roughly; university training cost \$142 million.

I have not got the figures with me at the moment on the supplementary grants that we discontinued, I think in 1948, to the universities. We did pay supplementary grants to universities in addition to the fees which were used by the universities to enlarge their facilities in order to take care of the big influx of veterans at that particular time. That was in addition to the fees and allowances we paid to the veterans.

Mr. JUNG: Other than vocational training given to other ranks in the services now, do you still have a system for university training for personnel discharged from the services?

I know that officer cadets must have their university education as well as other ranks; but is there any supplementary education being carried on?

Mr. PARLIAMENT: Not under the Department of Veterans Affairs. But there is a training program carried on by the Department of National Defence at the present time. They picked up a few men who wanted to become doctors; some legal people, and dentists. They have their own training program for bringing them up, and I think the air force has done the same with respect to engineers.

Supplementary payments running to \$840,549 were paid to the universities in addition to the fees. It was a special grant made to the universities up until 1948 to enable them to enlarge their facilities to take care of the great influx of veterans.

Mr. JUNG: Does the department have more or less of a follow-up program in order to watch the progress of these people as they go through university, and after they come out?

Mr. PARLIAMENT: Yes. Six months after they come out there is a mail follow-up sent out to ascertain how they have been getting on. I may say that the record has been very good up to the present time.

The CHAIRMAN: Are there any other questions on the point raised by Mr. Jung? We are on item 498 veterans benefits, at page 87.

It looks as if we have almost completed our discussion of this point but we do not want to close off anyone.

Mr. PARLIAMENT: May I answer a couple of questions which were asked this morning?

The CHAIRMAN: Mr. Parliament has replies to questions raised this morning.

Mr. PARLIAMENT: I have spoken to Mr. Herridge about the welfare officers for some 100 miles, and I think we have come to a satisfactory reason why it happened.

There was a question raised this morning as to why a clerk grade 3 in the United Kingdom should have less money this year than we had for him in the estimates last year.

Those estimates were made for the previous fiscal year. They were made on the basis of \$3 exchange on the pound. This year it was only \$2.75, and that accounts for the reduction. The actual cash paid to the man in pounds was exactly the same last year as this year.

Mr. BROOME: Have we done the Canadian Pension Commission yet?

The CHAIRMAN: No, that is standing until we have the chairman of that commission before the committee. We also are standing treatment services.

Are there any further questions?

Item 498 agreed to.

There is another item coming under the purview of the director of welfare services. It is item 517 and it is to be found on page 93. It has to do with the revolving fund that is provided in connection with the poppy program. That is item 517 on page 93.

517. To authorize the operation of a revolving fund in accordance with the provisions of section 58 of the Financial Administration Act for the purpose of financing the manufacture of Remembrance Day poppies and wreaths, the amount to be charged to the revolving fund at any time not to exceed, \$350,000.

Mr. HERRIDGE: Would Mr. Parliament please explain how it works, and explain the operation.

Mr. PARLIAMENT: We operate shops in Toronto and Montreal which make wreaths and poppies. In Calgary, Winnipeg and Regina we have home workers who assemble certain poppies on a piece work basis. They really come under the supervision of other district officers. But they do it as a piece work job.

In 1954 the lapel poppy which most of us wear on November 11 numbered 4,183,000; whereas in 1957 this figure jumped to \$6,434,000.

The pieces, including wreaths that we make, window poppies, the ordinary poppy, and poppy pieces made a total of 4,775,000 in 1954 as against 6,632,000 pieces in 1957. They are all sold through the Canadian Legion who in turn sell them through their provincial commands. They sell them to the branches and it is their representatives who sell them on the streets.

Mr. HERRIDGE: Why is this amount found in the estimates?

M. PARLIAMENT: Mr. Mace, the assistant deputy minister will explain it. This is a new procedure and we think it will work out better in serving our districts, and that by and large it will be better. Mr. Mace can make the best explanation.

Mr. F. T. MACE (*Assistant Deputy Minister, Department of Veterans Affairs*): Mr. Chairman, this is really an accounting gimmick. We have always provided the funds for the operation of Vetcraft which Mr. Parliament spoke of, within his vote.

Actually we spend the money for the salaries and the purchase of material to make the poppies and we turn around and sell them to the Canadian Legion and then we endeavour to recover our cost.

It meant that this was really not a normal administrative action on the part of the department. Therefore, it was thought desirable to set up a revolving fund in which parliament would vote, in the first place, a sufficient amount of money to take over the inventory and then it would be paid into and out of a revolving fund from then on. So we pay the expenses from this fund, and it is brought back to the fund, in receipts derived from the sale of poppies. It is really a clearing up accounting procedure and it gets it out of our administration vote.

Mr. HERRIDGE: I think it is a good idea.

Mr. MACE: I think so. It tidies everything up too.

Mr. SPEAKMAN: Does the sale to the legion meet the cost of the manufacture?

Mr. MACE: Yes, it does. They come close now. We do have trouble in costing government work, but we try to keep the price to the legion so that we recover the actual cost of the poppies and their production.

Mr. SPEAKMAN: Thank you.

Mr. HERRIDGE: How many persons would receive some benefit from this at the moment, roughly speaking?

Mr. PARLIAMENT: There would be roughly fifty poppy workers full-time. In Winnipeg there are three widows who assemble the lapel poppy. In Calgary probably we have five, or seven, to distribute it a little wider, and in Regina seven or eight who assist in assembling pieces.

Item agreed to.

The CHAIRMAN: We now come to items 481, 483 and 484 and there is a supplementary item 653. Before we start the questioning, may I say that Mr. Garneau, Chairman of the War Veterans Allowance Board will deal with any questions on this.

Mr. McINTOSH: You have not finished item 518, or 519? Are you going back to that?

Mr. LALONDE: Item 519 is Veterans' Land Act and we could take it at the time when the director is here. I am afraid we have forgotten about item 518. Perhaps the explanation might be in order at this time.

518. To authorize the making of a loan by the Minister of Veterans Affairs to William J. Edwards, a veteran of World War I, in the amount of \$1,000, such loan to be repayable on demand by the minister and to be made on the security of a mortgage acceptable to him, executed by the veteran and his wife and registered as a first charge on a parcel of land held by the veteran and his wife as joint tenants and described in the Land Registry Office, New Westminster, British Columbia, as Lot 13, Block 14, Northwest Quarter of section 11, township 1, plan 14124, New Westminster district—\$1,000.

Mr. LALONDE: This is simply to correct an error which occurred in respect of a veteran out in British Columbia who had an over-payment of war veterans allowance and who had a home which he owned—

Mr. McINTOSH: I do not need an explanation on that. However, could I ask one question on the previous item, item 517?. Was this amount of \$350,000 included previously in last year's estimates under a different heading?

Mr. MACE: In essence, yes, but not quite. The mechanics of the accounting are that we do have to cover the inventory which is around \$170,000.

Mr. McINTOSH: Would you name the item?

Mr. MACE: It was in prosthetic services I think last year.

Mr. McINTOSH: What is the number of the vote?

Mr. MACE: 479 this year and it is the counterpart of 479 last year. In the printing, I think, possibly they have taken out the figures of last year which applied to the item of this year.

Mr. McINTOSH: Is it an item on page 585 which has increased from \$1 million to \$1,200,000?

Mr. MACE: That is the item; but in setting up the estimates if we go into details on page 607, you will notice that the item manufacture of poppies, towards the bottom of page 608 or the details, shows we had \$210,000 in the 1957-58 and nothing for 1958-59.

The CHAIRMAN: Does that complete the point?

Mr. McINTOSH: Yes.

Item agreed to.

481. War Veterans Allowance Board—Administration—\$153,112.

War Veterans Allowances and Other Benefits.

483. War Veterans Allowances—\$58,066,500.

484. Assistance Fund (War Veterans Allowances)—\$2,000,000.

653. Treatment and Other Allowances—Further Amount required—\$300,000.

THE CHAIRMAN: Now we will come back to Mr. Garneau and the war veterans allowance. Do we have any questions?

MR. HERRIDGE: The other day I was badgering the minister about one or two of my pet peeves and he said that the proper place to bring them up would be in this committee. I wonder if I could bring them up at this point? I do

not have the correspondence here but the case I will mention will illustrate my point. I think there must be very few similar cases in Canada. A man who served in my battalion in the first war was married overseas and came back to live in Canada. They lived together as a respectable married couple in my district up until the time he died. He was not in receipt of a war veterans allowance up until the time he died. She had previously been married to a man who had served in the imperial army overseas and had been advised that he had been killed. Shortly after her second husband died this lady's sister wrote and said "What do you think, Bill has shown up"—this was the previous husband who was supposed to have been killed in 1918. She made application for war veterans allowance and because of the circumstances she was not, in effect, legally married. She was morally married, and she was denied the war veterans allowance owing to a section in the act.

Mr. F. J. C. GARNEAU (*Chairman, War Veterans Allowance Board*):
Section 30 (11) (b).

Mr. HERRIDGE: Yes. I am rising to bring this to the attention of the committee because I believe there are very few cases of this kind and I would ask if there could be a slight amendment made to that section of the act which would make provision for a case such as this where there is every moral reason for the widow to receive the allowance. This is a most unfortunate situation and I would like to hear Mr. Garneau's comments in respect of it.

Mr. GARNEAU: I am quite ready to take good note of that and I admit it has been a headache for us also. In this case, as I understand it, that woman married in good faith many years before and probably raised a family and did not know of the existence of the former husband. I know as the legislation stands I must admit there is very little we can do about it.

Mr. HERRIDGE: She went through a ceremony of marriage but later it was proved to be illegal. She had been advised that the first husband had been killed in France in 1914. Apparently he was a deserter who turned up many years later. On the basis of the information she had received, never having heard from him during those years, she married a soldier who was in my company at the time in London. They came back to Canada in 1918 or 1919 towards the conclusion of the war. The husband died, not in receipt of war veterans allowance unfortunately, and within two or three weeks after her husband's death she is notified by her sister from some place in England that Bill has turned up. On that account and because of the present legislation she is denied war veterans allowance. Everything was done in good faith and it is most unfortunate that she now has had to go on social assistance.

Mr. LALONDE: Was the veteran to whom she thought she was legally married free to contract a valid marriage?

Mr. HERRIDGE: Yes. I have known him practically all my life.

Mr. LALONDE: We may be able to do something about it.

Mr. HERRIDGE: I have known the widow also since 1918 or 1919. They were very fine people.

Mr. LALONDE: Could you leave that case with us and we will see what powers we have under the law of interpretation?

Mr. HERRIDGE: I would be pleased to do so. If the powers of interpretation do not enable you to do something in this case, I would urge a sympathetic approach to some amendment to provide for these cases which I think are very few and very unfortunate cases.

I have another most difficult case regarding another veteran in the same company in our battalion who was married overseas. The church was burned down where the marriage records were, the government records in Revelstoke

were destroyed, and their home was destroyed and all the records of the marriage lost. Finally, on the suggestion I think of Colonel Garneau or somebody else, it was suggested that they be remarried and that things would be all right. The woman was a bit upset when I suggested it to her and she said, "I will be in a blooming predicament now; everybody in the village will know about it tomorrow morning." We took every precaution that it be done in the rectory and done quietly. Everybody knew about it the next day. However, fortunately her husband was able to receive the war veterans allowance.

Mr. GARNEAU: You understand the spot these cases put us in. We are quite willing to accept reasonable statements, in a measure, about those things but when there is not even a shred of evidence on which to base the decision, then we turn around and say: please quietly get remarried and send us a marriage certificate even though you have to go thirty miles from where you live and have it done at seven o'clock in the morning. That is good enough for us.

Mr. HERRIDGE: I spent from six o'clock to midnight persuading the lady to get remarried.

Mr. GARNEAU: Thanks for your help!

Mr. BROOME: I wonder if Colonel Garneau would explain the permissive clauses? What power of discretion does the war veterans allowance board have?

Mr. GARNEAU: I can do no better than explain the act. I call it a privilege clause. It is something that has been designed to help those veterans who are residing with someone—

Mr. BROOME: I know the clause. The reason for my question is this: I do not want to bog down on individual items, but I happen to know—and I will do as Mr. Herridge did and that is give one example—of a man who enlisted in 1938 who was refused active service because he was such a good instructor he was held in Canada and when he died his widow, who became arthritic and who had four children, had no income and no benefit whatsoever from veterans' legislation because of the fact that he had not had any overseas service. Your people in the regional office told me in such a case the best thing is to punch your C.O. in the nose so that you get sent overseas if only for a few days. This man did have service outside the country in the United States. If it had been in Newfoundland I believe it would have been recognized. Do you have no permissive powers in a case of this kind?

Mr. GARNEAU: We must administer the act as we find it. The theatres of war and conditions, I might say, of eligibility are defined in the act. Those things which go to the constituting of a "veteran" are defined. Unless an applicant meets those conditions he fails. Unless he is a pensioner or has had service overseas in a theatre of war we cannot recognize him as a veteran for the purposes of the act.

As the eligibility of the wife flows from that of her husband, if the husband is not an eligible veteran it follows that the widow cannot be admitted.

Mr. BROOME: If the husband had a pension as low as five per cent, or any pension at all, this would confirm the eligibility of the widow?

Mr. GARNEAU: Exactly right.

Mr. BROOME: This applies no matter how low the pension?

Mr. GARNEAU: It must be five per cent or more.

Mr. BROOME: In this particular case the man damaged his feet and had to be taken off parachuting jumping, but he would not apply for a pension. His death took place shortly after he left the service and his widow applied for pension. His death was not due to war service so she was completely out of luck. If he had made application regarding his feet he would have been eligible but his wife cannot go back on that point, because he is dead.

Mr. GARNEAU: The veteran himself having died without being eligible during his lifetime, his widow is not eligible either. We have had the opinion expressed by the Department of Justice that posthumous awards are not in order under those circumstances.

Mr. BROOME: Posthumous awards are not in order under any circumstances?

Mr. GARNEAU: No, because we cannot make an award posthumously unless a man was eligible during his lifetime.

Mr. BROOME: One further question in respect to the application of war veterans allowances. Soldiers who were serving in Canada and who were not allowed to go overseas would account for a good many thousands of men, would they not?

Mr. GARNEAU: I am afraid they would. I have no statistics in that regard.

Mr. BROOME: Could you secure those statistics?

Mr. GARNEAU: Perhaps Mr. Bowland would have some figures.

Mr. BROOME: I do not require those statistics now. I would rather have authentic figures presented at a subsequent meeting.

Mr. GARNEAU: I think they would cover a very wide field, Mr. Broome. However, there would be a percentage of that number who would not be eligible, of course, because of other factors.

Mr. LALONDE: If I understand your question correctly, you are wondering how many people who served in Canada only would be eligible now for war veterans allowance?

Mr. BROOME: No. My point is this: certain people signed up and served in Canada only because they were posted there and that is all they were allowed to do?

Mr. LALONDE: You are referring to both wars?

Mr. BROOME: Referring to both wars, yes.

Mr. LALONDE: Yes, in respect of both wars, I see.

Mr. BROOME: A man volunteers and serves where he is told to serve. The war veterans allowance is something of the nature of a gratuity given to people who serve overseas. My point is, what would be the effect of the privilege if that same privilege was applied to a soldier who by chance did not serve overseas?

Mr. GARNEAU: That is why I did not answer your question, Mr. Broome. I was trying to find out whether we had that type of statistics or not.

We could only take a number of veterans who served in Canada in world war I and world war II.

Mr. BROOME: Those who are eligible for overseas service?

Mr. GARNEAU: They were all eligible for overseas service.

Mr. BROOME: Well, there were certain categories that did not serve overseas, were there not?

Mr. GARNEAU: We would have to figure out how many there are, how many would be over 60 and how much that would cost. You realize, we are not able to select out of this group a proportion and say these would be eligible and these would not.

Mr. BROOME: But you have a certain proportion in regard to "X" number of soldiers who served overseas, and then this same percentage of "X" number of soldiers would be the same number of soldiers in this respect and you could assume it was the same percentage?

Mr. GARNEAU: We will have to give you the answer to that at the next meeting, Mr. Broome.

Mr. BEECH: Mr. Chairman, I suppose many of the other members of the committee have been faced with similar problems. I know of a case where widows have had property left to them as a result of their husbands' death and consequently have qualified for war veterans allowances. They have subsequently sold their properties and have had their allowances cut off because of these assets. It may be a matter of policy, but it seems to me that they still have the assets. It just does not seem right to me and I was wondering what the Department of Veterans Affairs felt in that regard.

Mr. GARNEAU: Could I ask you to put your question again please?

Mr. BEECH: I know of a case where a woman was drawing a war veterans allowance. She owned a home. Subsequently she found it difficult to keep the home going and sold it, thereby transferring the mortgage to some other relative. In this case the allowance was immediately cut off. I am just wondering what the thinking is behind that situation?

Mr. GARNEAU: Under those circumstances, as long as she still has her home—as a recipient she is allowed to have property worth \$8,000 without anything said about it—she would receive the allowance. If she sold the property the allowance would stop. There is a special clause in the act designed to encourage and insure that these people who have homes keep them. If she sells that property she then has liquid assets which are not being used for maintenance. If she wishes to buy another home with the money and leaves that money undisturbed in the bank, we give her a year to do so without disturbing her allowance.

This clause is a result of the difficulty of purchasing property in the post-war years and we have not changed that clause.

However, if she took the money and gave it to a relative or a friend, or disposed of it instead of using it for her own maintenance because she was no longer in necessitous circumstances, under the broad terms of the act—in other words, she has more in liquid assets and personal property than the regulations permit—we would then have to look at the situation in regard to section 18 of the act which says:

When it appears to a district authority or the board that applicant or recipient or his spouse has made a voluntary assignment or transfer of property for the purpose of qualifying for an allowance or for a larger allowance than he might otherwise have been entitled to, the value of such property shall, in determining the amount of allowance, if any, that such person should receive, be taken into account, as if the assignment or transfer had not been made.

So, under the regulations she is permitted to—

Mr. BEECH: It is a matter of policy then. It seems to me that she should be able to stay in the home as long as she lived and then transfer it to a son, and it would be quite all right.

Mr. GARNEAU: Yes, quite.

Mr. BEECH: This just does not seem to be right. However, it is a matter of policy.

Mr. GARNEAU: It is not a matter of an interpretation of the board.

If she, of her own will, chooses to change her status and moves to an apartment, and gives that money to a son or a daughter, or a friend, unfortunately we have to take note of the situation. These people are always advised as to what may happen if they take the trouble of consulting us beforehand.

Mr. BEECH: I suppose I would be perfectly right in advising such an individual not to transfer property until at least a year after she sold it?

Mr. LALONDE: If a recipient sells a home and has \$8,000 in the bank as a result of that sale his allowance is not going to be discontinued for a year even

though he has money in excess of the limit allowable. This is done in order to allow him time to find another home and to purchase it with the \$8,000 which is resting in the bank.

Mr. BEECH: Does an individual have to give an undertaking that he is going to purchase another home?

Mr. LALONDE: At the end of the year the allowance would be discontinued unless a new home had been purchased.

Mr. GARNEAU: An individual is requested to inform the local authority with whom he has been dealing in the first instance of any change in the financial or domestic situation and he must undertake at that time to comply with these regulations. Some of them do and some of them do not. However, if it is a bona fide case we do not look upon too harshly. Even if there is a slight delay we do not bother them.

Mr. HERRIDGE: Mr. Chairman, I have been faced with a situation similar to that mentioned by the previous speaker.

There is a young lad living in my constituency who has an excellent war record. I have known where he has been living for 45 years. He has a home assessed at about \$6,000, but he has no other assets. I told him that as far as I could decide he was eligible for war veterans allowances. He was delighted to find out about it and he made an application. In the meantime the Department of Public Works decided that a highway should be straightened in this area. They decided to build it right slap, bang through his home. They compensated him quite fairly for the loss of his home to the tune of \$11,000. He came to see me to find out what he should do. I advised him at once to inform the Department of Veterans Affairs. Naturally he intends to invest a greater part of this \$11,000 in another home. I suppose he will invest \$8,000 or \$9,000 in that way. How would a situation such as that be handled? How long does he have to re-invest this money?

Mr. GARNEAU: If his intention is clear that he wants to buy another home and he invests \$8,000 let us say, for the sake of argument, and assuming that he received \$11,000 he would not then be eligible to receive a war veterans allowance until the excess of \$3,000 was reduced to \$2,000 because the regulations do not permit him to have more than that. The regulations do not require a veteran to be in a state of poverty without funds at all. In the case of a married man living with his spouse and being in possession of \$2,000 in bonds, in cash, or in any other form of investment, he would still be eligible. However, if he had over \$2,000, we would expect that he would use that extra \$1,000 to maintain himself.

Mr. HERRIDGE: Thank you very much.

Mr. BEECH: Mr. Chairman, may I follow up the idea I put forward a moment ago. If the property had been transferred to a son, would that have any effect on the woman's pension?

Mr. GARNEAU: Oh, yes. It would no longer be his property. He would have divested himself of it.

Mr. BEECH: He has a war veterans allowance now even though he has property, but he cannot transfer that property?

Mr. GARNEAU: No, because he would not be the owner of the property in which he resided.

If he ceases to be the owner of the property, the value of the premises in which the veteran resides shall be taken into account only to the extent that it exceeds \$1,000. So if he ceases to be an owner of the property by divesting himself of its value, I am afraid we will have to consider that under section 18 which I quoted a while ago.

Mr. BEECH: He is really being penalized because he has the property. Lots of people have property and get the veterans allowance.

Mr. GARNEAU: Yes. If they are married recipients they are allowed \$2,000. If they are single, they are allowed \$1,000 in the form of personal property, but if they take any amount in excess of these permissible amounts and turn it over to a son, daughter, or a friend, thus enabling them to come under the war veterans allowance, we cannot ignore such a situation.

Mr. BEECH: He is already getting the war veterans allowance.

Mr. GARNEAU: Do you mean that that man is transferring the property to his son or daughter and continuing to reside on that property?

Mr. BEECH: That is right.

Mr. GARNEAU: Or is he just giving over the property to his son and daughter and moving elsewhere to live.

Mr. BEECH: I will try to make myself clearly understood. This lady had the property and she sold it and turned the mortgage over to her son. Now, you explain under the act she cannot do that because you take it for granted that she has the money, even though she did turn it over to her son. My question is this: If she had just transferred the property to her son, would she have lost her interest in the war veterans allowance?

Mr. LALONDE: If she was residing in that property and was benefiting from the exemption given under the act and she disposes of the property there was no need to apply the exemption under the act any more. She would continue to receive her veterans allowance, if she still resided in that property.

Mr. BENIDICKSON: On a point of presumption, with respect to the cost to the recipient for room and board, I notice that you have certain presumptions as to the cost to the recipient of war veterans allowances of income from room and board. I was wondering when the figures were last revised?

Mr. GARNEAU: I think it was 1954.

Mr. LALONDE: Are you talking about the revenue from room and board?

Mr. BENIDICKSON: You say on page 16 of your pamphlet that when the cost is not known you have a presumption the cost to the recipient of providing board only is \$35 per month and that the cost of providing room and board is \$50 per month.

Mr. LALONDE: We reviewed the regulation with respect to that and told our district authorities that in all cases they should assess the actual difference between the gross revenue and the net revenue, because we think that is the fairest formula. If a person was charging \$50 and it cost that person \$40, then \$10 is all you should be charged as income. It will take a little while before we are able to educate all the recipients to keep the necessary vouchers to show that this is what they have received and this is what they have spent. We hope to generalize that formula rather than take the arbitrary one.

The CHAIRMAN: Are there any other questions?

Mr. HERRIDGE: I keep bobbing up, but I take advantage of the opportunity to get information. One of the problems I am running into is that these people have been earning more than they are allowed to under the act. Some do it quite innocently and others, I suspect, not quite so innocently. I know of a number of cases where a man in question, without understanding the act, earned more than he should and had his allowance cut off. In one case, a man in receipt of war veterans allowance was persuaded by the officer commanding of a certain unit to go and act as janitor at \$100 a month. He told him it was casual labour. You can understand the man accepting that advice. Later he was cut off and he had to resign his position. He finally put himself in the position where he had to pay a small amount back. Is

there some way of doing more than is done at present to bring to the attention of the people in question the wisdom of communicating with departmental officials before undertaking any of these things?

Mr. LALONDE: The pamphlet to which Mr. Benidickson was referring a moment ago has just been mailed to our recipients. It is the third time we have mailed them a copy of such a pamphlet in the last six or seven years. It is mailed individually to them. It tells them in the pamphlet what the rules are and if there is anything they do not understand, to get in touch with us.

Mr. HERRIDGE: I am glad to hear that. I am thinking of something less expensive which could be sent out more frequently. Take, for example, such things as you get in pension cheques.

Mr. LALONDE: We have had some sad experiences with those stuffers. We found that when we tried to condense a group of instructions in a short sentence, half of the time we were not able to make ourselves absolutely clear. I remember at one time we put in a stuffer and I think it was with the war veterans allowance cheque; it had to do with a revision and we were flooded with telegrams because everybody thought that the allowance was being discontinued and that this was a new deal. It is very, very difficult to put this type of instruction in a short paragraph. It might be desirable to serve as a reminder to the recipient to go back and look at this periodically. We have perhaps do more than we have been doing.

Mr. GARNEAU: May I again repeat that the veteran who applies is requested to notify district authorities of any change in his financial or domestic circumstances. Then the investigator who follows up the case at the time of application normally explains to him what is required. He is told that if he moves out of Canada or if he does this or that, he is to let us know. We will help him or put him on guard against something that might cause him some trouble a little later on. A year after, an investigator calls on him, as a matter of routine checkup, to see how he is getting along and so on. He is told at that time that if he has any difficulties he is, without hesitation, to write or bring it to the attention of the district authorities. But besides the pamphlets, the application form, the notice of award of allowances when he is awarded an allowance, our form 7 tells him that any information which he requires is always available if he has any doubt about anything.

Mr. HERRIDGE: I am very glad to hear what has been done, and yet with all that is done, and it is the same with all these types of legislation, I quite frequently run into these questions. Roughly speaking, what percentage of the total recipients have to have their allowance stopped because of not reporting earnings?

Mr. LALONDE: I was asking some of our officers the same question. Unfortunately, we do not have the figure here, but we can get it for you. The one thing that runs through my mind is that of cases of overpayment where we have to take action to collect. These cases come to my attention. The percentage in the last two or three years has been rather small.

Mr. HERRIDGE: Would you say it is improving?

Mr. LALONDE: Very definitely, I think. We will try to get the exact figures showing the percentage of over-payments compared with the number of recipients.

Mr. HERRIDGE: That is an illustration that your educational program is working to some extent.

Mr. BROOME: Colonel Garneau, what difficulties would be involved in policing the payment of war veterans allowances if they were payable in the United Kingdom?

Mr. GARNEAU: First of all, I am afraid that the basic difficulty would be that we would lose touch so to speak, or lose control over those recipients because of the means test that is attached to the legislation.

We have just touched on a few points this afternoon on which we have to keep an eye, a matter of too much income, transfers of property, and what have you. It will be very difficult from the standpoint of administration to follow those situations up. One must not forget that there are not only Canadians who are eligible under our act. There are Belgians, French, the allies on so on. It would require an information service that would be, I think, quite difficult to put into effect. We would not be able to keep track.

Mr. BENIDICKSON: How many male recipients of war veterans allowances are there under 55 years of age?

Mr. LALONDE: You mean under 60?

Mr. BENIDICKSON: Yes?

Mr. GARNEAU: 4,881.

Mr. BROOME: How would that compare with the previous year?

Mr. LALONDE: That is the total.

Mr. BROOME: I was trying to find out the increase.

Mr. LALONDE: Oh, you mean the increase during the year?

Mr. GARNEAU: He will have that for you in a moment.

Mr. BEECH: I had a case the other day of a chap who was under 55 when he died and was getting the war veterans allowance. His widow had three children and the moment he died of course the allowance was discontinued, and the wife could not qualify because she is under 55. There is nothing you can do about that?

Mr. LALONDE: The allowance was continued for a year?

Mr. BEECH: Yes.

Mr. GARNEAU: It is a matter of the woman's own eligibility then; if she is handicapped or disabled, we can. In that case she would be eligible in her own right for the war veterans allowance, or rather for the widow's allowance although under 55.

Mr. BEECH: But she was in good health.

Mr. GARNEAU: There is nothing we can do in such a case. She would have to qualify in her own right.

Mr. BROOME: The increase in cost to the war veterans allowance and other benefits shown on page 611 and \$9 million and a few odd thousand, of which most occurred in world war one. Is it the opinion of the department that that is reaching a levelling out figure, or is it on the incline?

Mr. LALONDE: It will go up again.

Mr. BROOME: It is 14 years since the end of the war.

Mr. LALONDE: It will go up for four or five years, and then it will start declining.

Mr. BROOME: And then we will be losing Mr. Herridge and so on and so on?

Mr. LALONDE: The answer to your second question is that for the fiscal year 1956-57—at the end of that fiscal year there were 5,278; so there has been a decrease of about 400 during the year.

Mr. BROOME: Do you anticipate these world war one benefits to decline drastically? Is it pretty well at the peak point, or what do you think?

Mr. LALONDE: Speaking from memory, I know we made a survey of this about 1½ or 2 years ago, and we found that 1960 was the peak point. Then it levelled off for about four years and then it started to decline at a fairly steady rate.

Then ten years after that the world war two veterans would be getting into the older age bracket—because we are not getting any younger. This would make up the difference, and by 1986 we would reach the real all time peak.

Mr. GARNEAU: Every time the provisions of the act are made a little more generous, it admits a larger number of veterans who might not heretofore have been eligible.

I have here some figures as of November 30, 1957 when we had on allowance veterans of world war one to the number of 35,343.

According to the latest return as of April 30, the number is now 36,299, and that is world war one still, because the act has been broadened a little bit by virtue of one year's service in England and the ten years residence, clause thereby increasing the number of recipients by reason of additional eligibility.

The CHAIRMAN: Have we completed 481, gentlemen.

Item 481 agreed to.

483. War veterans allowance—\$58,066,500.

Item agreed to.

484. Assistance fund (War veterans allowance)—\$2,000,000.

Are there any questions on item 484?

Mr. BROOME: Is it the assistance fund which provides an original payment up to \$100? Is that what is referred to here?

The CHAIRMAN: Would you like to have an explanation?

Mr. BROOME: Is that assistance fund payable by a board of three men here?

Mr. LALONDE: No. It is dealt with by the same group who deal with war veterans allowance applications. It comes directly under the district authority in each district. It is really a supplement to the war veterans allowance for veterans who have no other income.

One of the problems that has been before previous committees, and before the minister fairly often, has been the income ceiling which at the moment, for a married veteran, is \$145 a month, enabling a veteran with other income to receive \$145 a month.

The basic rate has always been lower. At the moment it is \$120 a month, and the assistance fund was designed to help those veterans or widows who had no other income and therefore could only receive the basic rate.

The assistance fund is always available in an amount up to the maximum representing the difference between the basic rate and the income ceiling.

Last November when the basic rate was \$120 and the income ceiling was \$135 a month, the assistance fund available was \$15 per month.

But that income ceiling was raised to \$145, therefore \$25 a month became available for assistance. And that is one of the reasons there is an increase in the vote for this year. It has gone up because the expenditures under the assistance fund have gone up tremendously in the last three years.

I think in the last three years they went from something like \$600,000 a year up to \$2 million now. Yes, there is an increase of about \$475,000 between the two last fiscal years.

Mr. BENEDICKSON: To how many persons is the assistance fund allowed to be paid?

Mr. LALONDE: During 1957-58 11,819 received help under the assistance fund.

Mr. BENIDICKSON: Have we the average monthly figure?

Mr. LALONDE: That is a bit hard to come to, Mr. Benidickson, for the reason that there are a number of recipients, let us say, who are married and have \$5 to \$10 other income. They would still be eligible for the difference between the basic rate and other income and the income ceiling. So it would be misleading to attempt to give you an average. Some received \$25 and others \$10 and yet both received the maximum income under the ceiling.

Mr. ORMISTON: Would these be in respect of World War I veterans?

Mr. LALONDE: Very definitely.

Item agreed to.

Item 485 stands.

Item 653 stands.

The CHAIRMAN: That completes our consideration of the war veterans allowance.

Mr. BROOME: I must confess they are getting off a great deal lighter than are the army, navy and air force.

The CHAIRMAN: We still have a half hour remaining, I believe. Could we proceed to the series called miscellaneous payments?

486. To provide for payments to the Last Post Fund; for the payment under regulations of funeral and cemetery charges, including the perpetual care of graves where applicable; for the cost and erection of headstones in Canada; for the maintenance of departmental cemeteries; for the maintenance of Canadian battlefields memorials in France and Belgium; for Canada's share of the expenditures of the Imperial War Graves Commission; and for production of Books of Remembrance—\$1,431,970.

The CHAIRMAN: Is there any discussion on item 486?

Mr. HERRIDGE: I am glad to have the opportunity also to say a word on this fund, because this is one section of the Department of Veterans Affairs, and the only one, about which I have some criticism to make, or rather to make in respect of the administration of it. In my opinion those who administer the fund do not take enough notice of local conditions and circumstances. I am inclined to think that these decisions are made somewhere down in an office in Montreal in effect by a female without much heart. That is my opinion from what I understand of the situation.

If there is a case, such as one of which I know, where the poor widow in an isolated place does not understand the regulations, and even the local branch of the legion from which she seeks information is not acquainted with it, and there may be a technical violation of the regulations and if it is a very worthwhile case she should not be denied assistance. I had a case recently of a veteran who died in an isolated place reached only by a steamer service. The widow went to the legion and apparently they were not too well informed. There was a slip up in complying with the procedure. They were quite difficult circumstances because the regulations were not lived up to the letter. She was, as a result, faced with very large funeral expenses. I am quite sure if a telegram had gone forward and had all the facts been known there would have been no hesitation involved in giving this widow some assistance in respect of funeral expenses. I would like Colonel Lalonde to explain the working of the fund in order that we might see what could be done to meet these situations which occur from time to time. Death is always rather sudden. I have seen these situations, as far as my experience is concerned, occur from time to time throughout the years.

Mr. LALONDE: Mr. Herridge, this is rather a difficult question for me to answer on a delicate subject. As you know, the Last Post fund is an incorporated body under a dominion charter. They have been given, under that charter, certain authority and certain rights. The only relationship which exists between the department and the Last Post fund as a body is that we

provide them certain sums of money under regulations which authorize us to provide that money for the purpose; but we as administrators do not interfere with the method used by the Last Post fund board to carry out the functions which, as you know, relate to more than the veterans for whom we pay them these amounts. They have funerals for other than those covered by our regulations. It is pretty difficult to tell them you will do this in this case and that in another case. We have given them terms of reference under which we will reimburse them for the cost of a funeral.

Perhaps, indirectly, your observation raises the question; would it be preferable to have this type of thing administered by the department, or is it preferable to continue to do it through an independent body? I really do not know what the answer is.

Mr. HERRIDGE: In my experience over quite a number of years, I would think it would be much better if the Last Post fund were administered by officials of the department. I know it is a board, but boards of that type are inclined to leave their decisions, and answers to inquiries, to a permanent staff in the office and there is sometimes a tendency when they are getting along in years or long in office to become somewhat orthodox in their approach and not understanding fully the circumstances which exist in the country as fully as would the officials of the department who are going around the district who know the circumstances. I would certainly, personally, commend to members of the committee that you will be very pleased to see the administration of this fund, under the direct control of the department.

The CHAIRMAN: Are there any further questions under item 486?

Mr. BENIDICKSON: How much of this vote goes to administration?

Mr. LALONDE: You are referring to the administration of the last post fund?

Mr. BENIDICKSON: Yes.

Mr. LALONDE: This covers both. It covers the cost of burials, which was, incidentally, increased last fall. That is, the maximum payment that the Department of Veterans Affairs makes to the fund was increased from \$110 per burial to \$175. This, of course, gives them much greater leeway.

We also increased the contribution towards the administration costs from \$8,500 to \$15,000 per annum. We hope this will be satisfactory, but we have not had enough experience to know as yet.

Mr. HERRIDGE: Would it be possible to get figures from Colonel Lalonde as to the total applications for assistance under the last post fund and the number of applications that were rejected?

Mr. LALONDE: We would not have those statistics, Mr. Herridge. We could find out how many cases the last post fund looked after and charged us for during the year but we would not know how many applications they received in all.

Mr. HERRIDGE: Would it be possible for this committee to call a witness with whom we could discuss this matter?

Mr. LALONDE: During the last four fiscal years we paid for 804 burials in 1955-56; 788 burials in 1956-57; 825 burials in 1957-58, and we estimate it at the same number for 1958-59. It is a pretty steady figure.

Mr. HERRIDGE: These figures would then indicate that out of the total number of veterans dying in Canada annually there are about 800 cases that warrant assistance from the last post fund?

Mr. LALONDE: Yes, but the last post fund is only one method by which the department looks after the burial of veterans.

If you look at the details of this vote you will see that we spend more money than is spent out of the last post fund in looking after burials of veterans for whom we are responsible.

Mr. HERRIDGE: I realize that but the average is about 800 that are eligible under the last post fund?

Mr. LALONDE: Yes.

Item agreed to.

The CHAIRMAN: Any further questions?

Mr. ROBINSON: Mr. Chairman, for my own curiosity I would like to get some information. I understand that a chap who is receiving a war veterans allowance and who owns at least part of his home, who passes away, would be buried by the last post fund, but if he was living in a rented home he would not be buried by this fund, and his widow would have to look after it? I am speaking of the case where there would still be assets in the form of insurance, for example, after he died?

Mr. LALONDE: You are referring to the rule of the last post fund as to how much cash assets a veteran may leave to his estate and still be eligible for burial by the last post fund?

Mr. ROBINSON: Yes, and supposing the amount of insurance that we had was less than the amount that he would be allowed to have while owning a home?

Mr. LALONDE: I do not have a copy of the regulations covering the amounts that are considered to be sufficient.

Mr. ROBINSON: I am familiar with a case of a world war II veteran where that situation occurred just recently. I was just wondering if I understood the situation correctly. I was given to understand that if the amount of money that he had left had been invested in his home his burial expenses would have been paid by the last post fund.

Mr. LALONDE: It would also depend on whether or not he had dependents.

Mr. ROBINSON: Yes, there was a widow and family left. They had very little money, just a bit of insurance.

Mr. LALONDE: I would have to check with the chief executive assistant, to find out what amount they consider would be sufficiently low that they would pay for the burial.

Under our regulations we are allowed to pay for the burial of a veteran who is liable to become a public charge. The last post fund either looks after him or we do. That is as far as we can go. I would have to find out what the means test is in that regard.

Mr. ROBINSON: If the amount of money that he left had been invested in a home would he then be considered a public charge? The difference here was that the money was left in insurance. It was not invested in a home. That is the only question I was wondering about.

Mr. LOCKYER: If a veteran died suddenly, how much time would be allowed in order to check the amount of the assets or equities?

Mr. LALONDE: I know that they have representatives across Canada. They are usually informed right away. Sometimes veterans organizations look after the burial and then inform the last post fund of the problem. There have been cases of argument where, for instance, a branch of the Legion went ahead and buried a veteran, and then found out that the veteran had assets totalling more than was allowed by the last post fund.

Mr. HERRIDGE: That happens quite frequently.

Mr. LOCKYER: I can understand that on account of the short time that elapses.

Mr. LALONDE: However, I must say that the increase in the amount that they have at their disposal makes it easier for the last post fund to deal with a greater number of cases.

Mr. HERRIDGE: I wonder if it would be a good suggestion that the last post fund should inform all undertakers of their regulations?

Mr. ROGERS: Do not worry; they know it.

Mr. LALONDE: Mr. Herridge, we are of course dealing directly with undertakers in respect of burials for which we are responsible, and I find that the undertakers are very much au fait of everything.

Mr. LOCKYER: I would suggest to Mr. Herridge that it is not the undertaker that is dead, he is quite alive.

Mr. STEARNS: I had to bury a veteran in January. He had made me the executor of his estate. I knew that he had been hopelessly in debt and that if I accepted his estate it would cost a lot of money. He died in a veterans' hospital. I informed them that he had nothing and that probably his estate would have nothing. I did not intend to accept the responsibility anyway. They buried him, and as his documents came to me I simply sent them back, refusing to sign them. I do not think there is any question but that the hospital authorities and the doctors in the district knew of the circumstances and looked after this situation. They looked after it very well whereas, if I had accepted the responsibility of attending to his estate, I might have found myself in possession of something I did not want.

I did not receive an undertaker's bill and I was wondering if your department had paid the cost of the funeral directly to the undertaker.

Mr. LALONDE: If a veteran died on our treatment strength, or if he died of his pensionable condition, we ask the next of kin whether they want us to handle the burial or not. If they want to handle it themselves it is quite all right with us except that we tell them our regulations only permit us to pay so much for the burial. If they want to pay extra, that is their business. If they wish to have us look after the burial then we make all the arrangements and conduct the funeral. We get the bill directly from the undertakers so that the next of kin do not have to bother about it at all.

Mr. HERRIDGE: There is never any trouble in respect of funerals administered by the Department of Veterans Affairs.

Mr. SPEAKMAN: When a veteran dies on strength his family is permitted, of course, to pay additional costs for a better type of funeral?

Mr. LALONDE: That is correct.

Mr. SPEAKMAN: They can do that without endangering the payment made by the Department of Veterans Affairs?

Mr. LALONDE: Correct.

Item agreed to.

488. Miscellaneous Payments—Grant to Canadian Legion—\$9,000.

Item agreed to.

The CHAIRMAN: As 488 is carried, that concludes the section under miscellaneous payments.

It is now approximately 5:15 and if we were to proceed, we would proceed to the Veterans Land Act. What are the wishes of the committee?

Mr. HERRIDGE: I move we adjourn. We have done pretty well for the one day.

Mr. BROOME: Before we rise, could the chairman advise when Brigadier Melville will be present. I have to be away one day and I desire to be at that meeting.

The CHAIRMAN: Yes, we hope to have the chairman of the pension commission here a week from this coming Monday.

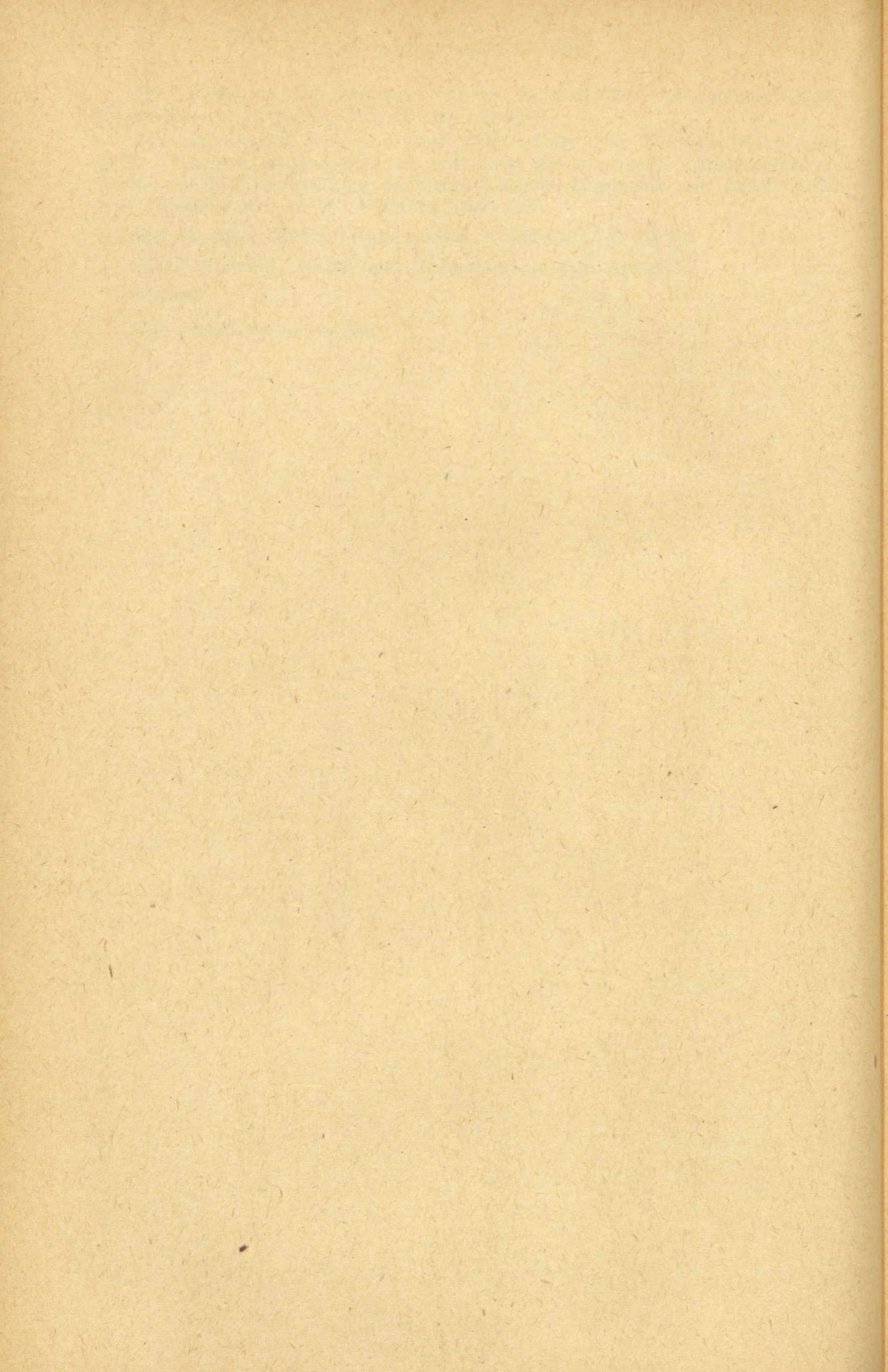
The next session will be a week from today, next Thursday morning at 10:30. I believe at that time we will have the treatment branch before us. Pardon me, after consultation with Col. Lalonde, it appears that our program next Thursday will be the Veterans Land Act.

Mr. BROOME: Will the committee be called for 10 or 10:30?

The CHAIRMAN: 10:30 next Thursday. Is that agreed?

Agreed.

The committee adjourned.



HOUSE OF COMMONS

First Session—Twenty-fourth Parliament

1958



STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

Estimates 1958-59 of the Department of Veterans Affairs

THURSDAY, JULY 3, 1958

WITNESSES:

Mr. T. J. Rutherford, Director, Veterans Land Administration; Dr. John N. Crawford, Director, General Treatment Services, Department of Veterans Affairs; Mr. Lucien Lalonde, Deputy Minister; Mr. F. T. Mace, Assistant Deputy Minister.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1958

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.,

Vice-Chairman: G. W. Montgomery, Esq.,

and Messrs.

Anderson
Batten
Beech
Benidickson
Bigg
Broome
Cardin
Carter
Clancy
Denis
Fane
Forgie
Garland

Herridge
Houck
Jung
Kennedy
Lennard
Lockyer
Macdonald (*Kings*)
MacEwan
MacRae
McIntosh
McWilliam
Ormiston
Parizeau

Peters
Regnier
Roberge
Robinson
Rogers
Speakman
Stearns
Stewart
Thomas
Webster
Weichel
Winkler

Antoine Chassé
Clerk of the Committee

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 268,
THURSDAY, July 3, 1958.

The Standing Committee on Veterans Affairs met at 10:30 o'clock a.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Beech, Broome, Carter, Clancy, Denis, Dinsdale, Fane, Forgie, Herridge, Houck, Kennedy, Lennard, Lockyer, Macdonald (*Kings*), MacEwan, MacRae, Montgomery, Ormiston, Parizeau, Peters, Regnier, Roberge, Rogers, Speakman, Stewart, Thomas, Weichel.

In attendance: The Honourable A. J. Brooks, Minister of Veterans Affairs, and Messrs. L. Lalonde, Deputy Minister, F. T. Mace, Assistant Deputy Minister; L. A. Mutch, Deputy Chairman, Canadian Pension Commission; G. H. Parliament, Director-General, Veterans Welfare Services; F. L. Barrow, Departmental Secretary, J. G. Bowland, Chief, Research and Statistics; C. F. Black, Superintendent, Veterans Insurance; Dr. John N. Crawford, Director-General, Treatment Services; Messrs. T. J. Rutherford, Director, Veterans Land Administration; J. G. Falardeau, Chief Treasury Officer, Veterans Land Act; W. Strojich, Superintendent, Property Division, Veterans Land Act; and Robert Bonnar, Superintendent, Secretarial Section, Veterans Land Act; and Mr. E. J. Sivyver, Administration Officer, Veterans Land Act.

At the opening of the proceedings the Minister introduced Dr. Crawford to the Committee.

Mr. Lalonde gave answers to some questions asked at the previous meeting on June 26, 1958.

Item 492 was taken into consideration. Mr. Rutherford was called. The witness read part of a brief, copies of which were supplied to each Member of the Committee present. On motion of Mr. Lennard, the complete brief of 17 pages was taken as read. Many questions were directed to Mr. Rutherford concerning the administration of the Veterans Land Act.

Items 492, 493, 494, 495, 496, 497, 519 and 520 were severally considered and approved.

Item 476 was taken into consideration and Dr. Crawford was called. The witness explained the administration of the Treatment Services of the Veterans Affairs Department in the various hospitals throughout the country.

At 12:35 o'clock p.m. the Committee took recess.

AFTERNOON SITTING

The Committee resumed at 3:30 o'clock p.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Batten, Beach, Carter, Clancy, Denis, Dinsdale, Fane, Herridge, Kennedy, Lennard, Lockyer, Macdonald (*Kings*), MacEwan, MacRae, Montgomery, Ormiston, Regnier, Rogers, Speakman, Stewart, Thomas, Webster.

In Attendance: All officials of the Veterans Affairs Department shown as in attendance at the morning sitting with the exception of officials from the Veterans Land administration.

Dr. Crawford continued his presentation and was questioned thereon at length. During this witness' questioning Mr. Mace and Mr. Lalonde gave answers to a few questions directed to them.

Items 476, 477, 478, 479 and 485 of the Main Estimates and items 652 and 653 of the Supplementary Estimates, concerning Treatment Services, were severally considered and approved.

At 4:50 o'clock p.m. the Committee adjourned to meet again at 10:30 o'clock a.m. Monday, July 7th.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

THURSDAY, July 3, 1958.

10:30 a.m.

The CHAIRMAN: We have a quorum gentlemen and we will proceed immediately.

This morning we have the minister with us and also some additional officials of the department. I think it would be helpful Mr. Minister if we could have an introduction of the members of the department who are appearing for the first time.

Hon. A. J. BROOKS: (*Minister of Veterans Affairs*): Well, Mr. Chairman, I am very glad to be here this morning. I do not know how long I will be able to stay but when I introduced the staff the other day, Dr. Crawford, who is the director general of our treatment services was not here. I should like to introduce Dr. Crawford now to the committee.

I would also like to introduce Brigadier Rutherford who is in charge of the Veterans Land Act. I understand, Mr. Chairman, that the Veterans Land Act is coming up this morning for consideration. You will get a lot of information from our director.

The CHAIRMAN: Thank you very much Mr. Minister. Colonel Lalonde, the deputy minister informs me that he has some answers to questions that were held over from our last session.

Mr. L. LALONDE (*Deputy Minister, Department of Veterans Affairs*): Yes, Mr. Chairman. There was one question asked by Mr. Broome. The question had to do with the number of veterans who had service in Canada only in both world wars and what would be the estimated cost of making them eligible for war veterans allowance.

In order to arrive at an estimate of the cost we have to make certain assumptions. The first assumption that we have to make is, that the question asked by Mr. Broome referred only to those who had volunteered for active service. That is the first assumption we made in figuring out the number.

The second assumption is that in this group, the ratio of those who would ask for the allowance would be the same as the ratio is now for veterans who are at the moment eligible for war veterans allowance. For the same purpose we also assumed that the ratio of their widows would be the same as for the widows of veterans who are at the moment eligible for the allowance. We also had to assume, in arriving at a figure, that the present rates and ceilings would remain in effect. As members will understand, any change in the rates or ceilings would change the estimates which I am about to give you.

We also had to assume that the conditions of eligibility would remain the same. Taking all these assumptions into consideration we estimate that there would be an additional 18,000 veteran recipients in 1958 at a cost of an additional \$16,600,000.

Mr. THOMAS: Would you say that again.

Mr. LALONDE: \$16,600,000 for the year 1958-59. Also for the year 1958-59 there would be an additional number of widows, estimated at 4,500 at an additional cost of \$3,300,000 per year, making a total additional annual liability for the moment of \$19,900,000.

Projecting this figure to the peak year to which I referred the other day, the year of 1986, when the world war II veterans would have reached age 60, we estimate that the number of veterans who would be eligible with service in Canada only and with an enlistment for active service, would be 45,000. The additional annual liability for this group would be at that time \$41,500,000.

We also estimate that at that time there would be 11,250 additional widows in receipt of the allowance, for an additional annual liability of \$8,200,000, or a total additional annual liability in 1986 of \$49,700,000 for this group.

Mr. BROOME: Is that the answer to my question?

Mr. LALONDE: That is right, Mr. Broome.

Mr. BROOME: I just got in.

The CHAIRMAN: Are there any queries?

Mr. ROGERS: I understand, Mr. Lalonde, that this included world war I and world war II veterans.

Mr. LALONDE: That is right, sir, both world wars.

Mr. ROGERS: You have not got the figures of world war I separately?

Mr. LALONDE: Well, I can supply that at the next meeting.

Mr. ROGERS: That is the one that is of interest to me.

Mr. THOMAS: Mr. Lalonde, are veterans who served in Canada only in both world wars now eligible?

Mr. LALONDE: You mean dual service. Under certain conditions, yes. These are people who served both in world war I and world war II in Canada only on active service. What Mr. Rogers is asking,—and I want to make sure of the question,—is that we divide the figures that I have given you between world war I and world war II. We will provide that information at the next meeting, Mr. Rogers.

The CHAIRMAN: Mr. Ormiston has a question.

Mr. ORMISTON: What would be the ratio between those who served overseas and those at home in relation to those figures you just gave? A rough estimate would do. I am just curious.

Mr. LALONDE: I would prefer to check our figures and give our answer at the next meeting at the same time as we give the separate answer for world war I and world war II. I can give you the ratio as it applies to those who served overseas in both wars.

Mr. ORMISTON: I see; and thank you, sir.

Mr. BROOKS: It would be almost 50 per cent of those getting the war veterans allowance now—16,000, or about 33½ per cent.

Mr. LALONDE: Eighteen thousand would represent approximately 40 per cent of those who are now receiving the allowance. The other question was asked by Mr. Herridge and it had to do with the percentage of recipients of war veterans allowances who had their allowance stopped because of not reporting earnings. We have done some extensive research into our statistics and while, Mr. Herridge, I am not able to separate those who are discontinued because they did not report their earnings, I can give you the percentage during the last two years of all those who were discontinued either because they did not report their earnings, and it was found out that they did not or because they had reported their income, and it had put them over the ceiling.

Mr. HERRIDGE: That would be quite satisfactory.

Mr. LALONDE: The percentage for the last two years represents .7 per cent; of the total liability; in other words less than one per cent.

Mr. HERRIDGE: I am very pleased to hear that. I am surprised.

Mr. LALONDE: I told you it was not too bad.

There was another question asked by Mr. Robinson concerning the means test for the last post fund, and I said that as we did not administer this, I would inquire and find out what the means test was. I am informed that where there is a widow or child the last post fund will not reduce the cash assets of the estate below \$1,000. This includes insurance, but not the value of the home. Where there is no dependent the fund claims from the estate whatever the amount of the estate may be. This is the rule by which they are governed.

The CHAIRMAN: That concludes the outstanding questions.

Mr. LALONDE: No, Mr. Chairman, there are still one or two more, but we are in the process of preparing the information and it will be given at subsequent meetings.

Just to keep the record accurate, Mr. Chairman, I might mention that at page 38 of the report of the previous meeting there is an error in one of the figures. There is a figure quoted on page 38 by Mr. Parliament referring to supplementay payments made to universities. The figure quoted is \$840,549. This figure should read \$17,840,549. There is a "17" that slipped somewhere.

The CHAIRMAN: Gentlemen that brings us to the soldiers settlement and the Veterans Land Act.

Mr. THOMAS: Before we go on with that, may I say I was unavoidably absent at the last meeting. I had to stay in the house to speak in the budget debate, when veterans allowances were under consideration. I had a question that I mentioned once before to bring up on veterans allowances. I wonder if we could revert to item 473.

The CHAIRMAN: It is quite permissible to refer to any branch, because we have stood the first item, as you know, Mr. Thomas. However, the chairman of the war veterans allowance board, Mr. F. J. C. Garneau, is not with us this morning.

Mr. THOMAS: This was a question which I believe we decided the minister should answer when present. It has to do with policy. The question is the interpretation given the word "service" during the first world war. I had rather an interesting case brought to my attention. It is that of a young man who enlisted in the first world war. He was under age, but he was in uniform and served for, I believe, several months. Then he was discharged because he was under age. In the second world war he volunteered for service but was not fit to be sent overseas I believe. Again he was in the services for a time. The ruling in his case was that his service during world war I, while he was in uniform and carrying out commands in doing fatigue work and the like around the camp, that service was ruled to be not service as defined in the departmental regulations. Now that is my understanding of it, and I wondered if we could have that clarified.

Mr. BROOKS: Yes, I think you wrote to the department, did you not, Mr. Thomas?

Mr. THOMAS: I believe I did.

Mr. BROOKS: Yes, I recall your letter. This young man was never taken on active service. He was under age, and when they found out that he was under age, he was not taken on active service. If I remember correctly that was the case.

As at matter of fact I have seen other cases too, where the young men in the militia were in uniform during the first and second world wars and they worked around the camps, and so on, where there were men on active service. But these men still remained in the militia, although they were in uniform and they were never taken on active service. I think the point was that they were never sworn in on active service because they were not of the proper age.

Service in both wars, as I understand it, means sworn in for active service overseas or wherever they may be. But I will check on that again, Mr. Thomas. The act says of course if a man was on active service in both wars that he is entitled to war veterans allowance if he passes the means test. I think that is the point that you raised and wanted to find out why it was he could not get war veterans allowance if in uniform in the first world war and also in uniform in the second world war.

I remember other cases that were the same as that, or practically the same, where the man was in the militia but was not on active service in both world wars.

Mr. FORGIE: Would he not be attested if he had been taken on the strength of the active service?

Mr. BROOKS: Very often. I remember in both wars that very often a man volunteered and was brought into the camp and it was quite a while from the time he came in until he was taken on active service. This may be one of those cases. We will check on that again because it is a very good point.

Mr. THOMAS: I ran into another case where it seems that even being attested was not considered enough. That was the case of a man who was attested for service in the first world war. He was sworn in, but released for a few days until they would be ready to put him in uniform. He went to work for the old Grand Trunk Pacific Railway and was helping some soldiers unload guns. While unloading the guns a plank broke and a gun fell on him. And all of these years since the first world war he has been drawing workmens compensation from the Canadian National Railways. But there was a case where a man was attested.

The army would not accept any responsibility for the accident. They would not accept him as being in the army, so his case came up for workmens compensation under the Canadian National Railways.

Mr. BROOKS: Well he might have been on leave without pay.

Mr. MONTGOMERY: They were never taken on strength anyway.

Mr. BROOKS: He would have to be on the strength. However, there are a lot of these exceptional cases which are hard for a lot of us to understand, but there are technicalities. Take the young man under age who enlisted; he would enlist under false pretences, and that also would be a disqualification. He made a false statement and said he was older than he was. And he will be penalized for it. But there were many eager boys who did that, and unfortunately it did react against them later on. There is a section in the act which provides that they cannot take advantage of the benefits if they enlist under false pretences.

Mr. MONTGOMERY: I have been a criminal all these years.

Mr. BROOKS: Well, it is to your credit. But, that is the situation.

Mr. BROOME: Mr. Chairman, may I suggest that a review of the meeting hours of this committee be made by yourself, particularly in conjunction with Mr. Smith. This committee and the estimates committee have more meetings than any others, and they are two of the most important ones. Could they be staggered a little bit differently. The estimates committee is to sit from 11 o'clock to 1 o'clock. We begin at 10:30. If we could begin perhaps earlier in the morning there might be a chance for members who are on both committees to attend both. These are two of the largest committees which also meet more often. I have to run to the other committee. We may not even have a quorum.

The CHAIRMAN: I agree with you, Mr. Broome, that this is one of the most important committees. I understand that the chairmen of the various committees are going to get together to see if they cannot work out a suitable formula for meeting times. But we are up against this problem: there has been resistance to simultaneous sitting with the house, which gives us very few mornings in which to operate.

Mr. BROOME: I was hoping we might begin earlier. Can we do something along that line? As I see it, the major conflict is between these two committees. Railways, Canals and Telegraph Lines or Banking and Commerce will probably have not more than three or four meetings this session.

The CHAIRMAN: I am at the wishes of the committee. We began at 10 o'clock last week and that was considered too early; but perhaps we can have a meeting of the steering committee and review the whole problem.

Mr. BROOME: Perhaps we might start earlier in the morning.

The CHAIRMAN: I might point out that the budget debate is continuing in the house today, which would provide an opportunity for a session this afternoon. If that is the wish of the committee, we will consider that before we break up this morning.

While the minister is here, gentlemen, are there any more questions in connection with the point that was raised by Mr. Thomas a moment ago?

Mr. THOMAS: Mr. Chairman, are there regulations laid down as to where we would find interpretations of "services" that are being used? Are they set out?

Mr. BROOKS: There is a definition of "services" in the War Veterans Allowance Act and also in the Pension Act. There is a definition under the heading of "definitions" in all these acts.

Mr. THOMAS: Yes I understand that but there would be interpretations which would be used by the departmental officials.

Mr. BROOKS: Yes.

Mr. THOMAS: That is the interpretation in which I am interested.

Mr. BROOKS: There are legal interpretations, of course, and opinions, so the deputy minister tells me, for Justice, as they are in practically all our acts, not only in our veterans legislation but also in labour. There are Justice interpretations of these; and they are legal. Of course they are followed by the different departments.

Mr. CARTER: There is one point that perhaps makes our interpretations a little different from others, in that if there is any doubt, the veterans are supposed to be given the benefit of it.

Mr. BROOKS: Oh yes. You have not brought up anything new there.

Mr. CARTER: It does not apply to labour or other departments.

Mr. BROOKS: It may on the compensation boards.

Mr. HERRIDGE: The minister is an exponent of that philosophy.

Mr. BROOKS: I have been for a good many years.

Mr. SPEAKMAN: While the minister is here perhaps I might refer a question I asked last week with reference to the Veterans Land Act, and establishment. It was the question of forfeiture of reestablishment credits by active service settlers, and I believe this may be a matter also of policy.

Mr. BROOKS: We are discussing Veterans Land Act items this morning, and Brigadier Rutherford is here. I should prefer that you question him.

Mr. SPEAKMAN: I think, sir, this might be a matter of policy on which Mr. Rutherford could not express any views.

Mr. BROOKS: We expect to review the Veterans' Land Act next session and whatever changes are made in policy will have to be announced at that time. As the minister I could not announce a policy today because it is government and not ministerial policy. I would prefer to give consideration to this with my colleagues and announce it later.

The CHAIRMAN: Can we proceed gentlemen?

Soldier Settlement and Veterans' Land Act—

492. To provide for the cost of administration of Veterans' Land Act; Soldier Settlement and British Family Settlement \$5,249,350

519. To provide for protection of security—Soldier Settlement, and refunds of surplus to veterans \$4,550

520. To provide for purchase of land and permanent improvements; cost of permanent improvements to be effected; removal of encumbrances; stock and equipment; and for protection of security under the Veterans' Land Act \$14,827,250

654 To authorize and provide, subject to the approval of the Governor in Council, for necessary remedial work on properties constructed under individual firm price contracts and sold under the Veterans' Land Act to correct defects for which neither the veteran nor the contractor can be held financially responsible and for such other work on other properties as may be required to protect the interest of the Director therein—Further amount required \$4,000

The CHAIRMAN: The director of this branch has prepared a brief on the activities of the Veterans' Land Act. I believe a copy has been distributed. It is a very comprehensive and interesting document. Perhaps it would help to provide some pegs on which to hang our questions if Mr. Rutherford could outline the brief which you have in your hand. I do not think it is necessary to read it in its entirety; but we could have a brief outline, if that is the wish of the committee; or do you wish to proceed directly into the questions?

Mr. HERRIDGE: I have been perusing this and I think it is an excellent explanation and should be in the record in full, not only for the benefit of the members of this committee but also for the benefit of those who, throughout the country, read the minutes and proceedings of the committee.

The CHAIRMAN: We have the suggestion of Mr. Herridge that this document be taken as read and printed in the official report. Is that your wish?

Mr. HERRIDGE: It would make for a duplication if the director summarizes these paragraphs and then we had the complete brief from the director. I have patience at least and I would like to have the director read this brief and give us an opportunity to mark the points on which we would like to ask questions.

The CHAIRMAN: Are you still presenting the motion that it be printed in the report?

Mr. HERRIDGE: I move that the director's brief be read to the committee and the reading of it would give us an opportunity to analyze it correctly and prepare for questions.

The CHAIRMAN: You made the original suggestion that the document be published in its entirety.

Mr. HERRIDGE: I meant that it should be read in its entirety.

The CHAIRMAN: What about the tables?

Mr. HERRIDGE: I am not making that suggestion in respect of the tables.

Mr. SPEAKMAN: I think it would be better if we had an opportunity to study this at our leisure; it is a long document.

Mr. HERRIDGE: I am willing to agree with the majority.

The CHAIRMAN: What is the wish of the committee?

Mr. THOMAS: Could we defer this to a later meeting so as to give us an opportunity to read through it and then we could discuss it in detail?

The CHAIRMAN: I do not quite follow your point. Do you wish this item deferred?

Mr. THOMAS: I was suggesting that we could study this at our leisure instead of having it read this morning, then we would be in a position to bring up questions and have answers at that point.

The CHAIRMAN: But we have the Veterans' Land Act before us this morning.

Mr. STEWART: I move that we hear the director now and have this put in the minutes.

Agreed to.

Mr. T. J. RUTHERFORD (*Director, Soldier Settlement and Veterans' Land Act, Department of Veterans Affairs*): Mr. Chairman, Mr. Minister and gentlemen, the Veterans' Land Act was placed on the statute books during World War II and was designated as "An act to assist war veterans to settle on the land". It provided for loans to qualified veterans of up to \$6,000 to be expended for the purchase of land, livestock and equipment for use in full-time farming, part-time farming and commercial fishing establishments. To qualify for an establishment in any of these, a veteran must have an honourable discharge; have overseas service or, if his service was in Canada only, be a pensioner or have at least 365 days of paid service.

Contracts may be for up to twenty-five years, and the money advanced bears interest at $3\frac{1}{2}$ per cent. Title to the property purchased remains in the director's name until it is paid for. At the time of settlement, the veteran is given an agreement for sale which provides that, if he fulfils the terms of his contract for ten years, the cost to the director of the livestock and equipment purchased for him together with $23\frac{1}{3}$ per cent of the cost of real estate, in all not to exceed \$2,320, is to be written off as a grant; which grant is in lieu of his re-establishment credit or university training to which he might otherwise have been entitled. In other words, he can have only one of the three alternative benefits.

The act also provided that a grant of \$2,320 may be made on similar terms to veterans settled on dominion or provincial crown lands or to Indian veterans settled on Indian reservations.

Since there was no provision in the original legislation for the earning of this grant should the veteran arrange to sell his first property in order to buy another more suitable property and thus improve his position or where the veteran was moved by his employer and wished to sell and buy in his new location, the act was amended in 1949 to provide for a continuing establishment on a new property. This amendment, which added nothing to cost, has made it possible to administer the act in a much more helpful and business-like way.

In 1954 the act was again amended, this time by adding two new parts—

Part II provided assistance to qualified veterans wishing to build their own homes on city-sized lots, the title to which lots would be passed to the director as security for advances made during the period of construction. While Part II did not provide for a free grant, neither did it involve forfeiture of re-establishment credit. The benefits it gave consisted of training in house construction at construction schools organized by the administration, supervision of the work, and interest-free advances of up to \$8,000 during the period of construction, also free legal service in the transfer of title to the property back to the veteran and in drawing a mortgage in favour of C.M.H.C.—who repay the advances made by the director and carry the loan after the house is completed. This new provision has worked out very well and has already made it possible for 1,581 additional veterans to build their own homes. There will be more houses built under Part II this year than in any previous year since this amendment became effective.

Part III provided for additional, fully repayable, 5 per cent loans of up to \$3,000 in the case of full-time farmers, and \$1,400 in the case of small holders and commercial fishermen; the term of both loans to be for the balance of the term of the original contract.

The extra \$1,400 made available for a small holding establishment has revived this type of settlement—which by 1954 had commenced to dry up due to the limitations of the loan then available. However, since Parts II and III were passed, construction costs have continued to rise gradually and the \$8,000 now available is no longer sufficient to build a modern home even with the builder providing the lot. In spite of this and due largely to the savings made possible by our "Build Your Own Home" program, 1,413 veterans were able to build new homes during the past fiscal year, which is slightly higher than during the previous year.

The additional \$3,000 made available to farmers has been very useful, but since the most pressing requirement of the majority of our farmers is additional land in order to round out their enterprise to economic proportions, this extra \$3,000 is seldom, if ever, enough to meet the cost of any land units which become available for purchase within easy reach of the home farm. The other great need is for more and better basic herd livestock, but Part III loans are not available for this purpose. As a result of these two factors, only 3,175 farmers have yet taken advantage of additional loans under this part of the act. The minimum cost of an economic family-sized unit, including basic herd livestock and the necessities in the way of equipment, is today in the range of \$20,000 to \$25,000.

Organization and Administration

For the purposes of V.L.A. administration, the settled parts of Canada have been divided into 237 supervision fields. Each of these fields is the responsibility of a resident farm credit advisor (or field supervisor, as they were previously called). Since time is the essence of success in most of our work and since the judgment of a well-trained and experienced man on the ground is generally as good or better than one can expect to find at higher but more remote levels, much of the wide discretion vested in the director under the act is now being exercised as far out as field level. For this reason, we consider our farm credit advisors, who work directly with the farmer, to be the key men in our organization. That is why during the past ten years we have placed so much emphasis on their selection and on their active and progressive on-the-job training in matters pertaining to rural appraisal, modern farm organization, production planning, production-line methods as applied to farming, credit use and credit administration.

Although the number of accounts varies from field to field, depending on the ratio of farms to small holdings and the area which has to be covered, the actual workload as between fields is equalized as much as possible consistent with the minimum of chopping and changing of field line-fences. We believe it is most important that, wherever possible, the same credit advisor who vouched for the veteran at the time of his qualification, who appraised his property and negotiated for its purchase and for the purchase of his livestock and equipment, and who helped him to organize his unit and plan its future development, should be the same man who is held responsible for his success and loan repayment.

Fields are organized into regions of which there are 32, each under a regional supervisor. Regions vary considerably in area and in number of accounts. Generally speaking, their size is a compromise between these two factors.

In addition to the general supervision of the work and on-the-job training of the credit advisors working within the region, the regional supervisor (or his assistant, in the larger regions where he has one) sits as the chairman of the regional advisory committees. These committees, which include local

farmers, assist in the decision as to the qualification of the applicants for settlement on the type of enterprise they intend to establish, and whether the farm is considered suitable for such an enterprise. If suitable, the committee also recommends whether it should be purchased, having in mind its productive value as appraised by the credit advisor and the price being asked by the seller; if the price is not suitable, they recommend the amount which should be offered. The non-staff members of a regional advisor committee for any particular sitting are selected from a list (kept at regional offices) of suitable and available farmers—generally one or two farmers who are familiar with the area in which the veteran lives or is asking to be settled will sit on the committee with the regional supervisor. The credit advisor attends with the veteran and his wife. These meetings are quite informal and do much to impress the veteran with the importance of the step he is taking and the serious consideration which is being given to every aspect of his case. This is important, particularly if his application has to be turned down.

The regions are grouped into eight districts. These are: British Columbia, with headquarters at Vancouver—Superintendent, W. H. Ozard; Alberta (which includes the Peace River Block of B.C. and the Yukon and Northwest Territories), with headquarters at Edmonton—Superintendent, W. G. O'Brien; Saskatchewan, with headquarters at Saskatoon—Superintendent, I. L. Holmes; Manitoba (which includes Northwestern Ontario) with headquarters at Winnipeg—Superintendent, R. M. Wynn; Western Ontario, with headquarters at London—Superintendent, R. W. Pawley; Eastern Ontario, with headquarters at Toronto—Superintendent, H. L. Armstrong; Quebec, with headquarters at Montreal—Superintendent, M. L. Lafontaine; Atlantic (which includes the four Atlantic provinces), with headquarters at Saint John, N.B.—Superintendent, C. H. Scott. Five of these districts have almost the same number of accounts; while the Atlantic, Manitoba and Quebec districts, in that order, have somewhat less than the others.

Except for title documents, many of which are prepared and all of which are thoroughly checked and filed at head office, practically all transactions are finalized at district level with head office exercising a post-audit control. Head office deals with matters of policy, organization and standard procedures, also with the development of our extensive staff training program.

Apart from the act and regulations, we have few of what might be called "hard and fast" rules. We find it works much better to lay down principles for guidance since there is a natural human tendency to hide behind a rule book, and this sometimes appears even at higher levels where people are paid to exercise their judgment and discretion in the interests of fair dealing and sound business practices.

We have one rule which we call "The Golden Rule of V.L.A." and which we suggest is applicable to practically every difficult decision. It is this: "Could our minister justify the action I am about to take, as he may have to do, before the parliament and people of Canada, as being within the act and regulations and in the best interests of the veteran concerned, and fair and just as between veteran and veteran, and as between the veteran and the public?" This rule, based as it is on the highest of democratic principles, can only fail where the individual fails, or where he neglects to apply it.

All staff are taught to watch their public and veteran relations, and we endeavour to double check correspondence going out to the public and to our settlers to ensure that it is courteous, friendly and readily understood by those unfamiliar with our legislation and procedures. Strangely enough, we now believe that one of the most important factors in our good veteran relations is the excellent state of our collections since it is generally always the people who, for some reason or other, we have permitted to get into arrears who start finding fault with the government or our administration as to the unfairness

of the legislation or the way in which it is administered. When a settler gets behind, it is everybody's job to pitch in where they can and help his supervisor to provide him with the assistance necessary to get him back on his feet or, if he is up against an impossible situation, to assist him to get into some other type of work for which he is better suited. What can be done in this regard is well exemplified in our Moncton region (which is the one in which our minister resides). They have over 1,300 accounts and not all, by any means, in prosperous communities, yet for six years in succession March 31 has found them without a single cent due and owing. This is the result of very fine teamwork among staff and veterans, each helping the other and all helping the fellow who gets into difficulties.

Settlement and Collections Statistics

Up until March 31, 1958, 75,301 veterans had been settled under the act for a total expenditure of \$380,594,000 for land, livestock and equipment; this in addition to the considerable excess paid by the veterans themselves when the cost of the property was greater than the loan. Of the 75,301 settled, 12,777 had already repaid their indebtedness and received title to their properties; 4,549 had transferred their equity in their properties to other veterans who became established under the act; 1,984 had quit claimed their properties back to the director, some due to failure to make a "go" of things and some for strictly administrative or other reasons; 616 had vacated provincial lands on which they had been settled by their provinces and towards whose settlement V.L.A. had made a contribution but, of the 75,000 settled, only 174, or less than three out of every thousand, had to be put off their property for failure to live up to their contracts.

As of June 30, 1958, including prepayments on account, we had already collected 106.5 per cent of all principal and interest due and owing to date. On the same date, only \$589,000 was due and outstanding, or an average of \$10 per settler. Most of this represented small current amounts, since less than 2 per cent of all settlers had more than \$200 due and outstanding.

In our home construction program we have now passed the 25,000 mark and, of these homes, a large majority have been built by the veterans themselves acting as their own contractors under supervision by V.L.A. construction supervisors and after attending a V.L.A. construction school. Generally speaking, it is fair to say that the homes built in this way are better than those built for us by outside contractors and are certainly much cheaper.

Current Work, Small Holding Settlement, and Part II Construction

During the last fiscal year, we established 1,685 new small holders which compares with 1,342 who completed their payments and received title. During the same time, 856 commenced house construction on small holdings and 557 on city-sized lots under Part II for a total of 1,413, which is slightly more than in the previous year. In each year about 85 per cent of all construction was done by veterans acting as their own contractors.

Except for a considerable number who were originally settled as small holders but who are now, to all intents and purposes, full-time farmers and will soon be transferred to that classification since they are now making all or the greater part of their living from the operation of their holding—small holders, once established, involve comparatively little field work. Sixty-six per cent of all small holders are now paying either by sending in, once a year, a book of twelve post-dated cheques or by pension and salary assignment. These very satisfactory arrangements constitute a considerable saving in administrative and postage costs. Of a total of 32,000 current small holding accounts only $\frac{1}{4}$ of 1 per cent are as much as \$100 in arrears with their payments.

Up to the present, when calculating workload as between field areas we have considered five settled small holders as being equal to one farmer. However, after we have reclassified those small holders who are now actually full-time farmers, this ratio should change to something like 8 to 1. At the district superintendents' conference last fall, some consideration was given to putting the administration associated with small holdings and part II housing under the construction division, at least insofar as the work in the field is concerned. It was considered that if our present 80-odd resident construction supervisors were to take over the administrative and development work in connection with our small holdings and part II housing, which is largely in and around the centres where these construction supervisors live and operate, it would release a number of highly-trained credit advisors who now spend considerable time on this work but whose training and experience could be put to much better use working with our full-time farmers. With some extra training in appraisal, landscaping and horticulture, it is now considered that, before too long, the construction supervisors could handle this work in addition to their construction duties.

Current Workload Full-Time Farmers

During the past fiscal year, we settled 435 full-time farmers, including those assisted on provincial lands, while during the same period some 2,400 farmers completed their payments and were given title to their properties.

Of those who paid up, a considerable number did so in order that they might obtain a \$15,000, 5 per cent, 30-year loan through the Canadian Farm Loan Board for the purpose of expanding their enterprises to more economic proportions. In many cases, this change-over was made on the advice of our V.L.A. credit advisors who realized their urgent need for more capital and, in many cases, helped them to calculate their extra credit requirements.

On the other hand, there are a considerable number of farmers whose entire loan has been liquidated under a crop share agreement but who do not desire to take title because they want the continued benefit of our advisement service.

The Veterans' Land Administration entered the farm settlement field at a time when many existing agricultural production methods and the type of farm organization on which they were based were already obsolete, and was faced with no other alternative than to buy into this set-up. The small amount of credit available—only $\frac{1}{3}$ of that available to soldier settlers in Australia and New Zealand—forced the Administration to buy in at levels well below the average for a Canadian family farm unit even at that time.

The relatively favourable relationship, which existed for some years after the end of the war, between the price of farm products and the cost of what the farmer had to buy, was a Godsend to V.L.A. farm settlers, as was also the availability in some areas of remunerative off-the-farm employment by which many were able to supplement their farm income. That V.L.A. settlers were able to survive and to build up and pay for their units as well as they have, is a matter of great credit to themselves and to our field staff who assisted them by making sure, first, that they obtained the best possible value for the very limited amount of money available and, second, that they were supplied with help and guidance in the appraisal, purchase, organization and management of their farm units in accordance with their individual needs.

The results have been quite favourable, in that the number who have given up their farms has been very small and the number of those who have had to be put off for non-compliance with their contract has been a small

fraction of 1 per cent. Collections, too, have been excellent and this was accomplished without any apparent or high-pressure collection program but, rather, by building up the ability to pay and by stimulating the will to pay on the part of each and every settler.

Good as they are for the chance they have had, I fully realize that, while our farm settlers have been relatively successful under very adverse conditions, many of their units are still below average and most are considerably below the standard of a sound economic unit.

Survey of Progress and Future Credit Requirements of V.L.A. Farm Settlers

For some years past, this administration has been preparing to make a survey that would give us a true picture of the progress made by our farm settlers to date. This survey is now under way. It includes, in the case of each farm enterprise which has the potential for success, a calculation of the amount of additional credit required to put it on a sound economic family unit basis. This survey also brings out the exact purposes for which additional credit is now required and the extent and nature of the security that would be available. It also reflects the effect that changes in their production pattern, which farmers say they would put into effect if ample credit were available, would have on future production trends as related to probable future market requirements.

Such a survey, in order to give a complete and accurate picture of progress and credit requirements, necessarily involved the making of a careful "Appreciation of the Situation" in the case of each farm unit survey and the making, at least in skeleton form, of an integrated plan. All this was necessary in order to calculate the amount of credit required to bring the enterprise to economic proportions, to decide how such credit could best be used, and to calculate what additional income its use would make possible within the limitations of the labour resources available on the farm.

The principal purpose of this survey was, of course, to create the opportunity for a full and frank discussion with each farmer, during which the credit advisor could assist him in making an appreciation of his present situation, and of the possibility of further progress under an integrated plan developed along production-line principles and supported by adequate credit, if such credit appeared to be indicated as being a requirement necessary to expedite progress towards an economic unit and an adequate income.

The results taken from a recapitulation of the first 3,000 survey forms received are quite revealing and most interesting in the light of wide discussions relative to farm income and the credit requirements of agriculture which are taking place at the present time.

Present Income

Net income, including farm perquisites and an allowance for rent of home	\$ 3,291
Amount of income required to give an average standard of living, including farm perquisites and allowance for home rent	4,368
Average amount which, after careful consideration in each case, it is estimated could be earned if necessary reorganization and/or refinancing were carried out (after providing for carrying charges on the additional indebtedness)	5,218
Increase over present income—\$1,927 or 58%.	

Net Worth

The average Net Worth of the settlers, including the Conditional Grant of \$2,320 as if earned at time of settlement	\$ 5,117
The average Net Worth as of December, 1957, an average of 8.3 years after settlement	13,433

Proposed Changes in Farm and/or Farm Enterprises

Of the 3,000 farm units analyzed, 822 would appear to be best advised to continue as at present, with the same farm and the same type of enterprise; 511 should continue with the same land but change enterprises to a greater or lesser extent; 880 should enlarge farm but continue same enterprise; 378 should enlarge farm and change their enterprise; 65 should sell present farm and buy a better one; 276 are now, or should be, operating their farm only as a small holding on which to live and to supplement their income, the chief source of which would be from other employment; 68 should sell their farm and seek another type of employment.

Credit Requirements

The average total credit required by the settlers in order to put their units on an economic basis is \$9,823. This is made up of: balance of V.L.A. contract debt still outstanding—\$2,288; credit presently extended from other sources—\$839; additional credit required—\$6,696. As security for this, after the additional credit is expended there would be resources available on the average of \$23,256, or two and one-half times the total average credit requirements. The range of total credit needs is from \$0 to \$40,000, with the greater majority in the range of \$5,000 to \$20,000. Of the 3,000 surveyed, only 7.8 per cent require total credit of over \$15,000, and only 2.1 per cent require total credit in excess of \$20,000.

The change in the production pattern would be somewhat as follows:

Cash Crop, Bread Grain.....	81% of present
Cash Crop, Coarse Grain	67% of present
Cash Crop, Oil Seeds ..	74% of present
Cash Crop, Vegetable & other Row Crops	87% of present
Cash Crop, Fruits	177% of present;

and in the number of livestock maintained on the farms:

Dairy Cattle	107% of present
with a production by 1965 of	130% of present
Beef Cattle	170% of present
Sheep	189% of present
Hogs	166% of present
Poultry	90% of present.

A comparison of this trend with that in "Future Market Requirements" as predicted in the "Report of the Royal Commission on Canada's Economic Prospects", would indicate that it is most satisfactory if we are to avoid continuing annual surpluses of hard-to-sell products and probable shortages of those food products which it is predicted will be in high and ever-increasing demand.

The ills of Canadian agriculture are not so much due to prices of over-production as they are to high production costs. A farmer may still do well at present prices where he has sufficient good land, high-utility buildings,

basic herd livestock and modern equipment to complement his labour, and provided he is organized on a specialized production-line basis and is a good manager. However, if he is operating a poor or undersized unit or if his farm organization and management is not of the best, he is, generally speaking, living off his depreciation and gradually going in the hole.

If our poorer land were put back into trees or organized as community pastures, if the uneconomic farm units were enlarged or absorbed by others in their process of enlargement, and if production could be realigned more in accordance with present and prospective market requirements, Canadian agriculture, still based on economic family farm units, should prosper with the times. This result can not be brought about by any degree or type of regimentation but can be attained through the medium of well directed and, where necessary, carefully supervised credit.

Ample credit made available to men who, like the vast majority of our V.L.A. settlers, have proven their ability to use a small amount of capital to their own and the national advantage, would speed the day when our surplus agricultural products would find markets abroad because they would be more in line with what people want, and lowered production costs would make it possible to sell at a profit.

While it is still the exceptional V.L.A. farmer whose farm has reached the status of a modern economic farm unit, we now know that the great majority are on their way and will get there somehow. The chief task of this administration from now on is to see them through the remainder of the way. Fortunately, we saw this situation coming early on, with the result that we now have a staff of farm credit advisors who are recognized as experts in fields of land appraisal, farm organization, production planning, credit requirements (always enough but never too much), and credit use (exploit success but never reinforce failure).

Other industries can obtain credit based on a moderate ratio of equity to loan, provided they furnish the credit agency with a satisfactory plan or prospectus, provided their management after a careful check is found to be competent, provided they keep proper books and furnish an annual statement to the lender, and provided the purposes for which the credit is to be used appears to have a good earning potential. Why not the farmer, and why should he not be prepared to comply with the same business-like conditions? We have reason to believe that most V.L.A. farmers are, and that they are anxious at the present to put their farms on a more economic basis and gear them to produce a standard, readily marketable product at the lowest possible cost.

No farmer-veteran who has proven himself as having the potential for better things, and who has, of his own, at least 25 percent of the required capital, must ever be found among those who will have to give up farming in the rather tough but probably necessary period of adjustment through which the industry is now passing. That is, not if the V.L.A. staff can help it, and with your help we can.

The CHAIRMAN: Thank you, Mr. Rutherford, that outlines the operations of the branch. I think it will be helpful particularly to the new members of the committee.

Will you occupy this chair, Mr. Rutherford, during the question period. There is just one point for clarification at this point with reference to the publication of this document. There are a series of charts in the back which will delay printing considerably if they are duplicated in their entirety in the committee report. I am wondering how far you wish to go with this.

Have you any questions to ask of Mr. Rutherford? Perhaps we will relate your questioning to the estimates. We are now on item 492 which has to do with administration and which covers any question, of course.

Mr. MACDONALD (*Kings*): Will Mr. Rutherford tell us if there has been any reduction in staff due to the advancement of his program? I presume that there is less work required as time goes on.

Mr. RUTHERFORD: As of 1947 we had a staff of 1704. I might say that our peak staff was, a few years before that—it was—1865; by 1947 it was 1704; by 1950 it was 1360; by 1955 it was 1082 and it is presently 958.

Mr. LOCKYER: About half the peak.

Mr. HERRIDGE: Would you explain to this committee how the advisory committees are appointed.

Mr. RUTHERFORD: They are appointed by order in council, Mr. Herridge. The people available to sit on advisory committees are appointed by order in council, generally speaking on our recommendation of some farmer in the community willing to give his time and who is suitable. The list is kept, of region and the regional supervisor selects the men who are most conversant with the district, and with the veteran concerned. There are one or two men, not always two on each sitting. Of course the credit advisor and the veteran and his wife are there also.

Mr. MONTGOMERY: How are they paid?

Mr. RUTHERFORD: Their expenses, and \$15 a day.

Mr. LENNARD: For every day?

Mr. RUTHERFORD: For every sitting day, yes.

Mr. MONTGOMERY: Would it be a very big job to furnish the committee with the list that is provided each superintendent's office?

Mr. RUTHERFORD: No. We have that prepared already. I can bring it with me to the next meeting.

Mr. MONTGOMERY: For each district?

Mr. LALONDE: I gave you at the first meeting of the committee, the list of Veterans Land Act district and regional offices.

Mr. MONTGOMERY: No, that is not the one I mean.

Mr. RUTHERFORD: We have that list. We prepared one for the minister not very long ago and we can have it duplicated for you.

Mr. SPEAKMAN: That goes right down through the regions?

Mr. RUTHERFORD: Yes, it is on a regional level.

Mr. SPEAKMAN: I should like to ask, Mr. Charman, if that could be provided for the committee.

Mr. RUTHERFORD: Yes we can do that.

Mr. MACDONALD (*Kings*): How often do they normally meet?

Mr. RUTHERFORD: They meet when there is work to do. If there is a rush case, they would meet for that one case. If there are quite a number of cases they may accumulate these and meet, say, two weeks and hear several at one setting. We try not to hold any up. Sometimes we use one committee man more than another, as some are better than others on this type of work.

Mr. MONTGOMERY: They meet generally when purchases have been made.

Mr. RUTHERFORD: When veterans are being qualified and purchases are being made.

Mr. MONTGOMERY: Now if you were going to dispossess a veteran would that committee be called in?

Mr. RUTHERFORD: The act provides that before the director can dispossess a veteran his case must be heard by a provincial advisory board. This board consists of the district superintendent for the district and of a representative who is nominated by the Legion, and appointed by order in council—but always nominated by the Legion—and a district or county court judge.

Mr. MONTGOMERY: In that area?

Mr. RUTHERFORD: No. One district county court judge is selected for each province. He is not paid, but he gets his expenses.

Mr. MACDONALD (*Kings*): I was interested in the statement on page 9 where you say: "We had already collected 106.5 per cent of all principal and interest". Is it possible that the 106.5 per cent being over 100 per cent will come anywhere near looking after the administration expenses of the V.L.A.?

Mr. RUTHERFORD: It will come to a very considerable amount—6.5 per cent on over \$100 million. It is the payments that are made in order to prepay accounts. For instance, the 965 crop share agreements in Saskatchewan alone account for prepayments of \$1,200,000, this because of the good crops they have had. We get a lot of prepayments and we have many people who, when they get a bit of money, pay us up and take their title. Some, particularly the farmers, leave the title with us.

I might say that at the present time our own credit advisors are advising men to pay us off and go to the Canadian Farm Loan Board, where they can get \$15,000 at 5 per cent, if they need extra money which we cannot supply. These men are paying us off on our own advice. We say, "We cant give you more credit; go and get it when you can. You have securely, you need the money. Pay us off with part of what you get". Most of them are getting help in this way. A farmer at the time he earns his grow has only about \$2,200 to pay; he can pay us off and get a \$15,000 loan, which he needs; That is responsible for some prepayments at the present time.

Mr. MACDONALD (*Kings*): Then we can probably assume that this scheme will not cost the taxpayers any money in the long run.

Mr. RUTHERFORD: Yes, it will but administration costs only, and that is considerable.

Mr. MONTGOMERY: This prepayment does not mean there is extra money.

Mr. RUTHERFORD: No. It is money that is paid in advance before it is due.

An hon. MEMBER: Less interest?

Mr. RUTHERFORD: You will remember we have some arrears, many are old amounts of less than \$10 each. We have very few poors risks. However, we have a number who are in special arrears. These are only about 2 per cent of our farmers and I think only a quarter of one per cent of the 32,000 small holders are in arrears as much as \$100.

Sixty-six per cent of our small holders are making their payments under special arrangements, either any books of 12 postdated cheques, or by salary and pension assignments. This is something we have been stressing, because it does help up to keep down our administration and collection costs. The collections from 66 per cent of our small holders are all prearranged and come in on their own.

Mr. WEICHEL: Which province has the most veterans under this act?

An hon. MEMBER: Pretty close to the same.

Mr. RUTHERFORD: These are the numbers by districts of those that are still with us but over 12,000 have paid us and taken title. British Columbia 8767, Alberta 7299, Saskatchewan 7459, Manitoba 5223, wetsern Ontario 9279, eastern Ontario 9442, Quebec 4103, Atlantic 6030.

The CHAIRMAN: From what table were you reading, Mr. Rutherford?

Mr. RUTHERFORD: I was reading from the second page of the tables in this summary which we put out quarterly. In it you find all the names of the credit advisors and their locations throughout Canada, also all the districts and regions. I brought it for you because I thought you would find it interesting to see how well the boys in your own constituencies are paying up.

The CHAIRMAN: Mr. Rutherford is referring to the second document placed in your hands this morning. It is the quarterly comparative summary as of April 20, 1958.

Mr. ORMISTON: Mr. Chairman, I was going to ask some questions regarding Indians on reserves who take advantage of the Veterans Lands Act. Am I deviating too much from the topic at hand?

Mr. RUTHERFORD: No; the number is around 1200.

Mr. ORMISTON: I was wondering particularly about the security for the department on Indian reserves. Does it conflict with the Indian Act?

Mr. RUTHERFORD: No, it is under the administration of Indian affairs. They expend the money and look after it. The money is voted through our appropriation; that is about all we have to do with it. Of course, if the Indian agent wishes, he may call in our construction supervisor or our credit adviser. —This they often do—in the case of a farmer who needs advice, or if a veteran is building a house, they will call in our construction supervisors to help, but apart from that it is administered entirely by the Indian Affairs branch through the Indian agent on each particular reserve.

Mr. HERRIDGE: Naturally with the development of our economy there are numbers of cases where veterans properties have to be crossed by new highways, by pipelines and power installation. In our district there was a gas pipeline built last year. Some of the people in charge came from Texas, and actually forgot they had come to Canada. They started to bulldoze a right-of-way through the properties of several veterans.

For the future, Mr. Rutherford, I should like you to explain to the committee what is the usual procedure when you have to deal with a veteran's property being traversed by a public utility, by a highway, by a pipeline, or something of that sort?

Mr. RUTHERFORD: To show that this is not a small matter, there were over 1200 easements last year which we had to arrange for with respect to our properties. It is a matter of negotiation between the veterans and the expropriating authority. Our function is to evaluate the loss to the veteran. We have to consider many things including forceful taking, which is worth something. We also consider separation.

As the dividing of property may lower the value of what is remaining much more than on an acreage basis. The legislation in your province, I understand, Mr. Herridge, does not permit damages for separation, but in other provinces, as far as I know, the veteran can get a good allowance for both separation and for forceful taking.

These are matters of negotiation. The federal government is the only authority which can expropriate legally at the present time without the consent of the veteran. So we have to negotiate, and I think our results are fairly good as we have very few dissatisfied veterans. At the present time, there is a question of whether or not a veteran should be compensated for loss of his conditional grant where he is not taking a second establishment. This is a matter of law, and is at the present time being considered by the Department of Justice.

Mr. Beech knows all about that particular case. We also have a case in your province Mr. Herridge where a veteran had almost earned a conditional grant when his property was expropriated.

Mr. HERRIDGE: My point was, Mr. Rutherford, what steps does the veteran take? For instance, in this case I mentioned, this blighter arrived with a bulldozer without any prior notice to the veteran. He started to bulldoze a right-of-way through the small holding. The veteran got in touch with me on the telephone and I told him to get in touch with the district supervisor at Nelson. He immediately stepped into the picture. What steps should a veteran or a group of veterans take when they know their properties are going to be crossed by a public utility?

Mr. RUTHERFORD: He would be well advised to come to his local credit advisor before he negotiates at all. That is the advice we give.

Mr. HERRIDGE: And the department always makes a point of doing its best to protect the interests of the veteran?

Mr. RUTHERFORD: Yes.

Mr. BEECH: I was going to raise the same point, Mr. Chairman. A veteran completes his contract and he gets his conditional grant. If for some reason beyond his control he cannot complete that contract, then unless there is negotiation he loses those benefits. It seems to me there should be some protection under the act to provide, where a veteran is having his land expropriated, that he shall not lose his benefits.

Mr. RUTHERFORD: Our stand is that the expropriating authority should pay. We do not think it should come out of our vote, even though it is a matter of the federal government.

Mr. BEECH: I realize it is a matter of policy; but it seems rather unfair to the veteran that he has to be dragged into the courts to get a settlement. There should be some protection under the act.

Mr. RUTHERFORD: That is before Justice now.

Mr. STEWART: Are the titles in your department?

Mr. RUTHERFORD: The title is vested in the Director; but the veteran has rights, and he is the most interested party. We are there as his protector.

Mr. HERRIDGE: Would this help because this has happened a number of times in my constituency. A member is at a loss as to what to do. Would it be wise for your branch or administration to notify each veteran who is settled as to the course of action to take should expropriation be considered by any other authority? For instance in British Columbia it is under the Pipeline act or the Public Utilities Act, or the British Columbia government.

Mr. RUTHERFORD: I think it would be a very good thing, Mr. Herridge. I am not sure whether we have done it before or not or whether the districts may not have done it.

Mr. William STROJICH (*Superintendent, Property Division, Soldiers Settlement and Veterans Land Act Branch*): Generally we have advance notice from pipeline companies and power lines and such things as that.

Mr. HERRIDGE: Not if they are run by Texans.

Mr. STROJICH: I say "generally". The district superintendent generally negotiates and lays down the procedure followed. We have our own easement forms. They are very detailed to permit protection of the director of security, not only the part that is being taken for the actual easement area, but to cover such things as damage to the property, such as vehicles tearing down fences and receding the pipeline area and so forth. In those cases we have had, I must say, very good cooperation from the various utilities and pipeline companies. The odd firm does come in, but as soon as our field men know that

they are in the immediate vicinity they contact at once the proper authority that is putting through the pipeline, and we generally come to some understanding. We have not had too many cases, I must say, where they have gone in holus bolus and taken over the area. Some of our best appraisers are in British Columbia and I think they do a marvellous job of protecting the interest of the veterans.

Mr. HERRIDGE: Oh yes, this matter was finally settled later to the satisfaction of the veterans. At first they did not know what to do. I think that in two cases the veterans, without realizing what the law was and that the title was in the Veterans Land Act administration, actually signed an agreement with the company and that sort of thing. Would it not be a good idea to advise all the veterans where to go for advice?

Mr. RUTHERFORD: We will do that, Mr. Herridge. I think it is being done, as Mr. Strojich says, as soon as we know of a pipeline going through. But many of individual cases have occurred because of the widening of roads. In some cases we do not know a thing about it until the veteran is approached and has agreed to take so much money.

Mr. BEECH: I would just like to make a comment on this part II. I notice that the director has mentioned the fact that the \$8000 is rather small. He does not make any mention of the costs of land in urban areas. This part II is one of the most successful housing projects that the government has instituted, I know in our metropolitan areas we are running into cases where the land costs are having an effect. I hate to see those costs prohibit people in the urban areas taking advantage of the act which as I say has been most successful. I do hope that some consideration will be given to that.

Mr. RUTHERFORD: Perhaps the minister will have something to say on that.

Mr. MACDONALD (*Kings*): I have a question on the previous problem Mr. Herridge brought up. Does the director receive the full reimbursement for such appropriations?

Mr. RUTHERFORD: Yes, it is paid to the director and it is applied to the veteran's account. In many cases it cancels it out and the veteran gets the balance.

Mr. HERRIDGE: What has been the result of the provision in the act for direct grants to veterans settled on provincial land? Could you give us the picture in that respect?

Mr. RUTHERFORD: I mentioned that there have been something like 600 veterans who have vacated provincial lands. These are largely in two provinces. The arrangements are made by the province. We have very little control. I do not think that is too important.

Since I have been director we have not encouraged provincial land settlement too much because I feel that there is a lot of good land that is serviced with schools, telephones and churches and in organized communities that could be better developed into sound Agricultural Units. There is a big potential for developing such land before we go so far afield. Some of our provincial land settlement has been very successful in other places it has been difficult. There is the cost of clearing, and the cost of servicing Farms with roads, and schools and that sort of thing which today runs pretty high as compared with agriculture prices. I think there are better investments which we can make for settlers than to put them out on the wilds. However under some circumstances it has been very successful.

Mr. HERRIDGE: But in districts such as the one I represent, Mr. Rutherford, there are increasingly more opportunities for settlement on provincial lands right on roads.

Mr. RUTHERFORD: That is correct, Mr. Herridge.

Mr. HERRIDGE: And in some places with poor, small holdings, men work in sawmills or in the woods and places like that. What was done to attract the provincial governments? I am thinking in one instance of a whole section of lovely land alongside the upper Arrow lakes. There is a road being built right through that property.

Mr. RUTHERFORD: I am glad to know about it.

Mr. HERRIDGE: If there were not less than ten veterans settled, the British Columbia Power Commission would be willing to give them power. There are good water facilities there, creeks every half mile or so. What is your administration doing in trying to get the provincial government to place a reserve in an area like that, if there is a possibility of getting a dozen or so more veterans in rather than the provincial government disposing of it to others?

Mr. RUTHERFORD: It is rather the exception to find such services available on provincial land. We do settle a number of veterans in parks on Dominion Lands under similar conditions. Opportunities of that kind do not turn up very often and we would be very interested if they are veterans who wish to be settled on such lands. We have a similar area at Kitimat that we are working on at the present time.

Mr. HERRIDGE: There is a wonderful opportunity for these three acre holdings.

The CHAIRMAN: Is item 492 carried.

Item agreed to.

Items 493, 494 and 495 agreed to.

Soldier Settlement and Veterans' Land Act—

496. To provide for the reduction of indebtedness to the Director of Soldier Settlement of a settler in respect of a property in his possession, the title of which is held by the Director, or such Soldier Settler Loans which are administered by the Indian Affairs Branch of the Department of Citizenship and Immigration, by an amount which will reduce his indebtedness to an amount in keeping with the productive capacity of the property or his ability to repay his indebtedness under regulations approved by the Governor in Council \$1,000

Mr. SPEAKMAN: I wonder, Mr. Chairman, if the director could speak on this.

The CHAIRMAN: Item 496 is to provide for the reduction of indebtedness to the director of soldier settlements of a settler in respect of a property in his possession.

Mr. RUTHERFORD: There has been an appropriation for this for a number of years. It permits us to negotiate with the soldier settler for settlement of his account in order to clean up the very small residue of soldier settlement accounts that were on our books. These accounts have been reduced now to 27.

Of these four have been negotiated and they are paying on a time basis still. Of the remaining 23, nine are not eligible as being "settlers" as defined by the act. Five are eligible but wish to pay off their indebtedness in accordance with their contract. We approached them and asked them if they would like to consider a settlement. They said "no, we have had a fair deal and wish to pay up in full" which is very commendable.

Seven do not qualify under the provisions of the order in council in that their present circumstances do not warrant a reduction. It is not necessary to go into this but I can assure you that they are very well-to-do people. Others are not particular about getting title. At the present time they would rather leave the title with us. Two are eligible and qualify for a reduction but for various reasons have not made an offer. Negotiations are, however, being continued in these cases.

Mr. ROGERS: This is Indian agents?

Mr. RUTHERFORD: No this is the residue of the soldier settlers including Indians. We have of course on the soldier settlement books today still—774 civilian purchases.

Mr. SPEAKMAN: And how many actual soldier settlers remain?

Mr. RUTHERFORD: Twenty-three.

Mr. SPEAKMAN: Those are the ones I mean.

Mr. THOMAS: In connection with this grant on Indian lands, maybe this question concerns the whole administration of the Veterans Land Act. Is there any cut-off date when the Veterans Land Act ceases to apply?

Mr. RUTHERFORD: No.

Mr. THOMAS: Or can people become settled under the act or Indians take advantage of these provisions in the future?

Mr. RUTHERFORD: As long as their reestablishment credit is intact.

An hon. MEMBER: That is 1960.

Mr. RUTHERFORD: There is another act. I think that is the date, yes.

Mr. LALONDE: That is the time limit before which they must have repaid their credit, if they want to qualify for Veterans Land Act establishment, January 1, 1960.

Mr. ROGERS: Is there any time limit where a veteran can apply for assistance under the Veterans Land Act?

Mr. RUTHERFORD: No.

Mr. THOMAS: If he has used his reestablishment credits and fails to repay them by 1960 he would be automatically out?

Mr. RUTHERFORD: That is right.

Mr. MONTGOMERY: Does this act apply to the Korean war veterans?

Mr. RUTHERFORD: Yes, it does apply to the Korean war veterans.

The CHAIRMAN: Is item 496 carried?

Item agreed to.

The CHAIRMAN: We now come to item 497 and we will link that item with supplementary item 654. They both deal with the same problem.

Items 497 and 654 agreed to.

Mr. SPEAKMAN: May I ask the director approximately how many establishments will be covered under item 520, or estimated establishments?

The CHAIRMAN: Item 520 is to provide for purchase of land and permanent improvements; cost of permanent improvements to be effected; removal of encumbrances stock and equipment; and for protection of security under the Veterans Land Act.

Mr. RUTHERFORD: This is our big vote and with it we do all those things; it covers the cost of setting veterans generally.

Mr. FORGIE: For this year?

Mr. RUTHERFORD: For this year.

Mr. SPEAKMAN: Have you an approximate idea how many will be established this year?

Mr. RUTHERFORD: During the last fiscal year we settled 1,685 small holders. There were 1,342 who obtained title. We gained a little there. We budgeted this year for a 12.5 per cent decrease. Last year we settled only 435 farmers but there were some 2,400 who obtained title. The farmer list is going down and the small holder list is up a bit. With a 12½ per cent estimated decrease this year this is the amount we expect to spend. It does not cover part II

housing; this is not in the estimates, because we have a \$15 million circulating fund where we take out and put money in. We advance money during the building of a house and when Central Mortgage and Housing Corporation take the Mortgage they pay us and it goes back into the fund.

Mr. SPEAKMAN: That is what I was interested in. I believe this part II housing is doing a very fine job in providing homes.

Mr. RUTHERFORD: We are just advancing the money while the houses are under construction.

Mr. SPEAKMAN: It is replaced by the Central Mortgage and Housing Corporation?

Mr. RUTHERFORD: Yes.

Mr. BEECH: Is it the intention of the department to acquire land for this purpose?

Mr. RUTHERFORD: Yes; wherever we can obtain suitable property.

Mr. REGNIER: How many applications for assistance were turned down last year?

Mr. RUTHERFORD: May I reserve that and bring the answer to the next meeting? It will take a little figuring.

Mr. HERRIDGE: What is the procedure of acquiring properties relating largely to small holdings? Who inspects the land, who makes the recommendation and the decision that certain property shall be purchased for development of small holdings?

Mr. RUTHERFORD: The suggestion generally comes from the credit advisor in the locality—the resident credit adviser. He would take it up with region. This is quite an important matter as it involves a considerable expenditure later on. The district superintendent would go out, with his construction supervisor, to visit the property. Before a deal is made the matter is taken up with the municipality in respect to services and that sort of thing. If the property is to cost more than \$15,000 the purchase has to be approved by treasury board; that is if it is for development under part II.

Mr. MONTGOMERY: In some places, during the early days of settlement right after the war, the department made agreements with municipalities in which they would take a flat tax rate. For instance, \$35 for a lot. Has there been any adjustment in those cases? Is that still all the department pays the municipalities or which the veteran has to pay?

Mr. RUTHERFORD: This is a matter between the veteran and the municipality. Quite a number of the municipalities made very generous tax arrangements at that time and most of these arrangements are still in effect; but quite recently some have come up for review between the veterans settled on the subdivision and the municipality. I know of one case where the veterans voluntarily agreed to accept higher taxation because of the services they were receiving.

Mr. MONTGOMERY: I know that some of them have done that because the costs of the schools and other things have risen tremendously in some of these municipalities.

Mr. ORMISTON: If you want to set up a veteran under the Veterans' Land Act, as far as evaluation of land is concerned, do you still go into the question of the value of production over the last seventeen years to ascertain the real value of that land?

Mr. RUTHERFORD: Probably more so than ever before. The basis of appraisal as far as we are concerned is productive value. We will buy at speculative values providing the veteran pays the part over productive value. We loan on the productive value of the property and we go to considerable trouble

to ascertain what the productive value is. Some of our office staff—and all of our credit advisers—have during the past two years, and at their own expense, taken the course and passed examinations to qualify themselves as accredited appraisers. Out of some 300, over 280 have passed their first examination, and some 250 have put in their second with the Appraisers Institute of Canada, and after submitting sample appraisals are entitled to take to the Designation A.A.C.I.

This involved personal expense to these men, about \$65 each, for books and examination fees. It is our aim to have all our men accredited appraisers just as fast as they can go through the courses set by Appraisers Institute of Canada.

I might say we are doing many appraisals for other departments, some involving amounts in the millions. We had one of \$8 million and we were asked to do another one last week involving \$1 million, this for the Revenue department; the 8 million one was for the Indian Affairs Branch. This same thing we are specializing in as we think it is very important, and more so now than ever because of the limitations on our loans.

Mr. ORMISTON: You might be interested to know that a private individual came along and paid \$60 an acre for some land which had previously been appraised by V.L.A. appraisers at \$15 an acre.

Mr. RUTHERFORD: I can believe it.

Mr. ORMISTON: That is quite a discrepancy.

Mr. RUTHERFORD: Well, if we gave it its productive value and the other fellow its speculative value there could be quite a difference. We do not lend government money for speculation in land. We do buy it on occasion at speculative values but in that case we feel the veteran should put up the difference himself.

Mr. REGNIER: Is your decision based on the amount of money available? When you choose the applicants do you choose them on the basis that you have just so much money to spend?

Mr. RUTHERFORD: Today a man has to have some money of his own. We could not set up a man today on an economic unit with the money which we are able to loan under the act. We can give him \$5400 and he must pay \$600 down on his first \$6,000. Then we can loan him an additional \$3,000 provided he puts up \$1,500 of his own.

Mr. REGNIER: If your department had more money to spend I suppose you would be easier on the applicants?

M. RUTHERFORD: It stands to reason.

Mr. ROGERS: To what do you attribute the decline last year in farm settlement?

Mr. RUTHERFORD: I think it is quite evident that there is not enough money available to buy an economic unit and we are not prepared to buy units that are not economic. That would just be like hanging a millstone around the veterans neck. We will set him up as a small holder provided he has other income to live on; but we would not set him up on a farm that was uneconomic.

Mr. HERRIDGE: When you say you run out of money, you mean the amount of money allowed under the act, and not that you run out of money as far as the department is concerned?

Mr. RUTHERFORD: Oh, no.

Mr. FORGIE: You had better get some more money.

Mr. LOCKYER: Are the applications for land settlement being reduced?

Mr. RUTHERFORD: We have 816 farmers qualified and awaiting settlement. We have written all these people and asked them if they are still interested and we have heard that they are. There are also 8,059 small holders qualified and not settled also a number under Part II.

Mr. LOCKYER: Are they waiting for the money?

Mr. RUTHERFORD: They are looking for a property which they can buy with the money which we can lend them in addition to what they have of their own.

Mr. THOMAS: I think it would be a fair statement to say that land values have doubled.

Mr. RUTHERFORD: Farm land has not doubled in value on an acre basis but that does not mean much as the value of enough farm land to constitute an economic unit has more than doubled.

Mr. THOMAS: The price of farms has doubled.

Mr. RUTHERFORD: The price of an acre of land has not changed that much; But the price of a unit on which a man can make a living is much greater today than at the time the war ended.

Mr. HERRIDGE: Because of the need for more acres in certain cases.

Mr. RUTHERFORD: Yes. In practically every case it takes more acres today. The amount of machinery which a man must have to operate 100 acres would also operate 200 acres or more. Prices are not too bad, but costs are much too high on our small farms.

Mr. FORGIE: You are doing appraisals for other departments other than the Veterans' Land Act?

Mr. RUTHERFORD: Yes; for practically all departments.

Mr. HERRIDGE: I am wondering if you have a good number of veterans who are qualified for small holdings but who are unable to obtain land and if in those cases your administration makes every effort to purchase suitable land in order to provide an opportunity for those veterans?

Mr. RUTHERFORD: Yes. We still do it; but we prefer that they go out and find something in the nature of a proper small holding which they can do something with in an agricultural way.

Mr. FORGIE: Is this amount of \$14,827,250 to take care of the land which you have under option now.

Mr. RUTHERFORD: Yes. We always have a certain amount of land under option. A veteran goes out and gets an option to buy. That is included in this if it is under consideration.

Mr. WINKLER: Would it be possible to have one of your officials give us a talk for about ten minutes on some of the main points which we might use in the event that we are called on to speak at a legion or some such place in our district?

Mr. RUTHERFORD: Yes. We have a little red book. I will see that you have it at the next session.

Mr. WINKLER: I have it in front of me.

Mr. RUTHERFORD: This information which I gave you in pamphlet form this morning would probably answer your purpose.

Mr. LALONDE: We have a booklet on the Veterans' Land Act which is not up to date; but in view of what the minister said this morning I think it would be better for us to wait until after the next session to issue a new one.

The CHAIRMAN: There is good speaking material in this brief which was placed in our hands this morning.

Items 519 and 520 agreed to.

The CHAIRMAN: That concludes the Veteran's Land Act and Soldiers Settlement. We are making very good progress.

This might be the point in our deliberations at which to decide whether or not we will sit this afternoon. We face exactly the same situation which we faced last week; the budget debate is continuing in the house. We have the officials of the treatment branch here today along with Doctor Crawford, who is the head of that branch, and they are ready to continue if that is the wish of the committee and we will meet this afternoon at 3:30.

Agreed.

The CHAIRMAN: We will continue now for another fifteen minutes and resume at 3:30 this afternoon.

476. Treatment services—Operation of hospitals and administration	\$48,362,061
477. Medical research and education	\$324,000
478. Hospital construction, improvements, Equipment and acquisition of land	\$4,481,000
485. Treatment and other allowances	\$2,400,000
652. Treatment Services—Operation of Hospitals and Administration—Further amount required	\$1,183,380
653. War Veterans Allowances and other benefits—Treatment and other allowances—further amount required	\$300,000

The CHAIRMAN: Doctor Crawford, would you give us a brief summary of the activities of your branch and then we could proceed with the questions this afternoon.

Doctor J. N. B. CRAWFORD (*Director General Treatment Services, Department of Veterans Affairs*): Thank you, Mr. Chairman, and gentlemen. I think probably I should start my description of the activities of the treatment services by telling you something of its size, complexity, and in many ways its simplicity because its organization is essentially a simple thing.

First of all the treatment services of D.V.A. provide something in the order of 10,000 hospital beds in Canada of one sort or another. It requires something in the order of 10,000 employees to look after these hospital beds which is rather remarkable considering that civilian hospitals feel they can operate on a ratio of about two employees for one bed and we work at very close to a figure of one employee for one bed. It is a matter, I think, of some credit.

The deputy minister has already described to you the organization of the department from coast to coast. The organization of the treatment services follows this exactly. We have, in each of the districts which have been described to you, some arrangement for the treatment of veterans.

I think it would be helpful to you if I start at one coast and run to the other in order that you might know what is available in your own area and who the medical man responsible for this operation is. The deputy has already told you that each district has a district administrator and a senior treatment medical officer, both of whom are responsible to a regional administrator in his particular area. Therefore I will speak only of the senior treatment medical officers and the establishments which they have.

We will start at the east coast in Newfoundland where we use a ward in the general hospital. This is a ward of thirty beds in the St. John's General hospital. This works out very satisfactorily for the numbers of veterans concerned, but we are giving consideration to an alternative arrangement and our recommendations to that effect are now under study by the treasury board. The senior treatment officer at St. John's, Newfoundland, is Doctor Gallagher.

His address is the district D.V.A. office there. In Charlottetown, Prince Edward Island we have a similar arrangement in which we use beds in the Charlottetown General hospital. We have obtained a priority to use a number of beds there. The senior treatment medical officer there is Doctor Tidmarsh. His address is the district D.V.A. office in Charlottetown.

In Halifax we have an independent hospital of our own, Camp Hill hospital. It is an old hospital. We are planning on having some reconstruction done there. However, it is in quite good shape and it is an independent hospital providing general medical and surgical care. The senior treatment medical officer, who is also the superintendent of the hospital, is Doctor Kirk, whose address is Camp Hill hospital.

In Saint John, New Brunswick, we also have an independent general hospital of our own, Lancaster hospital at Lancaster, New Brunswick, which is just outside Saint John. The superintendent there is Doctor McKay who is the senior treatment medical officer and his address is Lancaster hospital.

In Quebec city we have an independent hospital. It is a very modern and comprehensive hospital providing complete general hospital care. The superintendent and senior treatment medical officer is Doctor Beaudin whose address is Ste. Foy hospital, Ste. Foy, Quebec.

In Montreal we have a complex of hospitals. There is a large general treatment hospital which is the Queen Mary Veterans' Hospital. Outside Montreal in Ste. Anne de Bellevue, we have the Ste. Anne's Hospital, which does two kinds of things; it provides general convalescence for chronic cases and has a very large mental wing. One of our largest mental hospitals is in Ste. Anne de Bellevue. The superintendent is Doctor Thibeault. The superintendent and senior treatment medical officer of the Montreal complex is Doctor Mercier, whose address is Queen Mary Veteran Hospital, Montreal.

In Ottawa I am sure you are all familiar with the pavilion which we have in connection with the Ottawa Civic hospital in the city. The senior treatment medical officer there is Doctor Boyd; his address is the Veterans' Pavilion, Ottawa Civic hospital.

Kingston is a sub-district of Ottawa and we again have beds in the two local hospitals in Kingston on a priority basis. The senior treatment medical officer—I suppose the assistant senior treatment medical officer of the sub-district—is Doctor Gibson.

In Toronto we have one of our prize showplaces, Sunnybrook hospital, a tremendous institution providing general medical and surgical care. The senior treatment medical officer and superintendent is Doctor McLeod and his address is Sunnybrook hospital.

In London we have Westminster hospital which again provides general medical and surgical care. We also have here a large mental wing and Westminster hospital along with Ste. Anne's provides really the total of our psychotic or mental disease care. The superintendent and senior treatment medical officer at Westminster hospital is Doctor Fergusson.

In North Bay our arrangement is considerably less than elsewhere in the country. We have no hospital of our own in North Bay, nor do we have any contract beds as such in North Bay. We do have a district office and do have a senior treatment medical officer, Doctor Girard, whose address is the district D.V.A. office in North Bay. We provide care there under a somewhat different arrangement, the doctor of choice plan, which I will describe to you later.

In Hamilton we have no hospital of our own and do not use contract beds as such. Our situation in Hamilton is covered largely from Sunnybrook hospital. We do have a district office with a senior treatment medical officer, Doctor Roderick.

In Winnipeg we have again a large independent hospital, Deer Lodge hospital, at St. James, Manitoba. The superintendent and senior treatment medical officer is Doctor Sutton.

In Saskatoon we use beds on a contract basis in the University hospital. The senior treatment medical officer is Doctor Scott, and his address is the district office.

In Regina we use contract beds in the Regina General hospital. The senior treatment medical officer is Doctor McGillivray and his address is the district office.

At Calgary we have an independent hospital, Colonel Belcher hospital. We have just completed a reconstruction program there and have a very fine modern institution now. The superintendent and senior medical officer of the Calgary district is Doctor Thompson.

In Edmonton we use contract beds in the University hospital which is very satisfactory. The senior treatment medical officer there is Doctor Ramsay. We also have a pavilion at Edmonton like the one at the Ottawa Civic hospital.

In Vancouver we have Shaughnessy Hospital, a large and very efficient institution, providing general medical and surgical care, the superintendent there being Doctor Bain.

In Victoria we have a beautiful hospital, the Victoria Veterans' hospital. It is completely independent and the superintendent is Doctor Watson.

This description covers the facilities from Newfoundland to Vancouver island. In connection with many of these places we have buildings most of which unfortunately have not been designed for our use but are nevertheless used for the type of cases where a man is so feeble that he cannot get along on his own and there may be other factors, social or economic, which add something to his state; but these cases do not need active hospital accommodation. For example, in Lancaster, New Brunswick, we have Ridgewood and here in Ottawa we have the Rideau Health and Occupational Centre; in Edmonton we have the Edmonton Veterans' Home which was the old provincial government house; in Vancouver we have the George Derdy Health and Occupational Centre and Senneville outside Ste. Anne's there is also the Western Countries Lodge in London.

This gives you some idea of the size and the extent of the treatment services. What do we do and how do we do it? I think first of all I can say with honesty, because it is a matter of great pride to me to have been asked to be associated with a system such as this, that we provide a quality of treatment which is second to none in the treatment of veterans not only in the North American continent but in the world—

Some hon. MEMBERS: Hear, hear.

The CHAIRMAN: Doctor Crawford, I hear 12:30 striking. That might be a good note on which to break at this moment. You received applause for that last statement.

Mr. LOCKYER: Mr. Chairman, I would like to say this: I have had occasion to visit Sunnybrook Hospital many times. It is one of the finest institutions of mercy in the world. As the personnel manager you should be, as am I, very, very proud.

Mr. CRAWFORD: I am extremely proud and even more proud because I can repeat this half a dozen times across Canada.

The CHAIRMAN: We will resume at 3:30.

AFTERNOON SESSION

JULY 3, 1958.

3:30 p.m.

The CHAIRMAN: We have a quorum gentlemen.

Dr. Crawford will continue where he left off this morning. If you please Dr. Crawford.

Mr. CRAWFORD: Gentlemen, when we arose this morning I had commented on the very high quality of treatment which I believe we provide in the D.V.A. hospitals. Many of you signified that at least to this extent you agreed with me.

I would like to tell you now something about how we maintain this high standard because it should be obvious to all of us that you cannot have this sort of standard of treatment without it costing money and thus this reflects directly on our estimates.

I need not say anything about the very loyal and very efficient staff that man our hospitals, nurses, nursing orderlies, nursing assistants, cooks, cleaners and helpers and that sort of person. Without them the treatment at the hospital as a whole would be impossible. But I do believe that in the main the high standards of treatment which we have been able to maintain in the past are due to the medical men whom we have on our staffs.

There are three kinds of doctors who work for us—at least they are employed in three different kinds of ways.

Our administration people are in the main full time civil servants. Some very highly qualified and extremely good clinicians are also in civil service positions and are working for us on a full time basis. Then we employ a number of interns and residents in our educational program. We must have these in any hospital to make the thing run. They are on a year at a time, on a special sort of salary scale. But the largest proportion of our doctors are employed in rather a different and unique way. It was set up by my predecessor in a way which has resulted in the D.V.A. method becoming the envy of almost all other government departments.

For example, out of 1,140 doctors whom we employ at the present time, 744 of these are employed on a part time basis but not as part time civil servants. These men work for us on what we call loosely the half day fee basis. In that way we ask many practitioners to devote to us some of their time and we pay them a fee for this. Thus a man may work for one or two half days a week. He may work for 20 half days a month. He gets paid for the time he gives us. This works out very well. We get much more time from all these men than we pay for. They are there mornings, afternoons, nights, weekends, holidays, whatever is required for the treatment of the case. These men provide the service that we require.

What kind of men are they? They are appointed in the main through university staffs and this is another thing which Dr. Warner achieved much to our benefit—an extremely close liaison or tie-in with university teaching staffs.

I do not need to tell you that there are only two ways of really keeping a hospital top flight. One of them is to teach and the other is to do research. We do both these in our hospitals. Our university tie-in, at every centre where there is a university and a D.V.A. hospital, is most intimate; and the selection of people who work for us on this half-day fee basis is made either by or with the concurrence of the dean of medicine in that community.

We are therefore recognized by the university as teaching hospitals for post-graduate education. We get interns and residents who are striving to obtain the highest qualifications in medicine and surgery or psychiatry or whatever you will and we benefit as a result of this liaison.

As an example of the sort of staff physician we have, I would like to quote one case. I just wrote him a letter of congratulation today because he has recently been appointed as associate professor of medicine at McGill and I noted today that he had been appointed as physician in chief of the Montreal General Hospital. This man has been for a long time, and I trust will for many years to come, continue to be our chief of medical services in the Queen Mary Hospital.

This is merely one of many such cases that I could quote. We get the very highest quality of men—medical men—in Canada who are anxious to work for D.V.A. We do not pay them very much. We pay them very little, considering what we get out of them, but because of the prestige and the quality and standard of treatment that go with a D.V.A. appointment we have been able to retain them. We teach, and this attracts the best of the medical profession. We do clinical research. Anyone who is involved in clinical research never has enough money. This is a constant complaint but considering the amount of money we get, we are making a notable contribution to medical research in Canada. Our research is slanted perhaps to those diseases which are now occurring most commonly amongst veterans. Diseases of the heart and arteries, the circulatory system generally and a number of nervous diseases such as Parkinson's disease.

In these fields where we have the advantage of a long history, a long detailed medical knowledge of the patient and a close and complete follow-up of his future, we can do a type of research which is unique and which is, as I say, making a noteworthy and extremely valuable contribution to medical knowledge.

There is no question then that the sort of treatment we are providing in our hospitals is of the highest order but we provide another kind of treatment under what we call the doctor of choice plan.

In some instances it is inconvenient, uneconomical and disruptive to the patient to move him from his home into one of our hospitals to benefit from whatever benefits there are in our hospitals and in such cases we have authority to employ his family doctor, to pay him on a schedule of fee basis for the services which he provides to our patient.

Now I should like to be able to say that this method of treatment was completely satisfactory. It is not, unfortunately. In the first place it is quite uncontrollable. The man is in his own home town. We really do not know anything about him medically except through the reports which we see and although I am quite prepared to admit that there are many thousands of first class doctors in Canada who are not employed by D.V.A. in our hospitals, there are some who tend to pad their accounts a bit, who perhaps make unnecessary calls and give unnecessary medications and we quarrel with them and you will hear about them. You will get complaints that "that monster, D.V.A., is denying us our rights and interfering with the practice of medicine."

Mr. HERRIDGE: I have heard worse than that.

Mr. CRAWFORD: Yes we get a very bad reputation but I assure you, gentlemen, that what we do, we do in what we believe to be the best interests of the patient every time. If all men were completely honest and all men equally skilled I think perhaps an ideal way to handle the treatment of veterans would be to move them to their own towns and let their own doctors treat them. But

all men are not like this and as long as we have to put up with this human frailty I do believe that we are better off in providing treatment as we do by discouraging the doctor-of-choice plan as much as we can and bringing people into our own hospitals.

So much for the staff, so much for the hospitals and so much for the ways we treat people. What about the kinds of people who get into our hospitals? Well, the treatment branch of the Department of Veterans Affairs was set up in the first instance to provide treatment for a pensionable disability, a war connected disability. Immediately after the war this represented almost all of our activity; our hospitals were full of such cases. Gradually they have reduced in numbers, either because their condition has become stabilized, or that some of them have died; many of them I am grateful to say have recovered to the extent that they no longer need very much in the way of treatment, and this is good.

Then we began to take on another group, those in receipt of the war veterans allowance. You will realize, by the way our staff is made up, that we are very dependent on the good will of the medical profession and our relationships with the medical profession and the university seem to be, in my opinion, extremely good. That is why we wish to interfere as little as possible with the private practice of medicine until such time as you, in your wisdom, decide there may be another system of the practice of medicine. That day has not yet come, and until it does we must live side by side in close harmony with our private practising colleagues. We took on the war veterans allowance recipient because nobody else wanted them at that time. There was no system of social security anxious to take on the veteran who had become old and ill and there was no person anxious to pay his doctor fees and hospitalization nor cared very much whether or not we looked after him. So we began looking after the recipient of the war veterans allowance and we treated him for any condition whatsoever.

The pensioned veteran, for his pensionable disability, of course is entitled to treatment for that disability and while he is receiving it he gets various allowances and benefits. The war veterans allowance recipient comes in almost as an indigent, a medical indigent, and we treat him. If we leave him in his home town he has the doctor of his choice and we pay his doctor. The war veterans allowance recipient is in receipt not only of his war veterans allowance but also is in receipt of medical attention as long as he stays in Canada.

Before I describe the other benefits I will speak of something else first because I can see a gleam in the eyes of some of the persons sitting around this table. We treat, by direction, other wards of the federal government. This direction has been with us for a long time. For example, since 1928 we have been authorized and directed to treat members of the armed forces and the Royal Canadian Mounted Police. In 1936 we were directed to take on the treatment of wards of other government departments at the expense of that other government department. Some of this is pretty straightforward and some of it very interesting work. Also, some of it causes us embarrassment. For example, I am somewhat embarrassed sometimes when the Department of Justice asks me to take in a convict from one of the prisons and provide him with treatment for some acute condition; this is embarrassing.

We have had a number of comments from various sources about the treatment of Hungarian refugees. I, of course, am in no position to comment on the rights or wrongs of treatment services for Hungarian refugees. The only fact which governs me is that these are the wards of one federal department; which department requires me to provide treatment for some of them, and I do it and they pay for it.

One way of measuring hospital activity is to use a unit which we call a patient day. If one patient is in for ten days that is ten patient days, and if ten patients are in for ten days that is one hundred patient days. You can get an idea how busy a hospital is by using this unit. Using this measure of activity and counting up the number of patient days we provided last year at the expense of federal departments, other than the Department of National Defence, we provided 0.9 per cent, less than one per cent, of our activity in the system as a whole in our own hospitals to hospitalization of these federal wards. For that we recovered from these other federal departments something in excess of half a million dollars. This does not mean very much to us; we do not get it to spend. It is just a matter of taking it out of one federal pocket and putting it into another. But if we did not provide this treatment, then the federal government would have had to spend more than half a million dollars, because our rates are lower than the rates of other people by and large, in order to provide this treatment elsewhere. I have no other comments to make on that. I leave the thought with you.

Then we come to the other groups of veterans who may come into our hospital on a beds available basis. The first of these is the veteran with a limited income. He is not poor enough to be a W.V.A. recipient but he does not have very much money. If he can pay a little he is required to pay it when his income resources have been assessed. He is required to pay a little in that one year, but he will never be required to pay us any more in that year. If he cannot pay anything he does not. If he has quite a lot of money he may be required to pay us almost our full rate. Then any men who served in any forces in any theatre, or in Canada, are privileged to come into one of our hospitals if we have the space and if he can undertake to pay us our costs for treatment. This is hospitalization only and does not cover his medical and surgical expenses, because again in doing this we are interfering with the private practice of medicine and it is important, I believe, that we do this to the absolute minimum extent.

You will doubtless want to know something about the provincial-federal hospital insurance schemes and how they will affect us. This, of course, is the group which will be mainly affected; this group who heretofore have been required to pay their hospital costs. They now, as insured persons, will be able to get into our hospitals at the expense of the plan.

Gentlemen, I think I introduced treatment services in a rather lengthy fashion. I will try to answer any questions you have. I believe I know all the facets of my branch fairly completely in principle and many facets in detail, but I do not have a battery of experts to support me and in some instances I may have to get the answers for you.

Mr. SPEAKMAN: There is one thing which concerns me a little. Does the treatment of patients from other departments prejudice the admission of veterans?

Mr. CRAWFORD: It never prejudices the admission of a pensioned veteran for his pensionable disability; he has a first priority all the time. It never prejudices the admission of a war veterans allowance patient in need of admission. It never prejudices the admission of a section 13 patient, this being the patient of limited income, who needs admission. But it might well prejudice the admission of a veteran who had sufficient income to go to some other hospital.

Mr. SPEAKMAN: I am thinking of this in terms of accommodation?

Mr. CRAWFORD: Well, perhaps you would be interested to know how we are running. We think it is a good hospital practice to assume a hospital is full when 80 per cent occupied. This 20 per cent differential must exist in most hospitals to allow for differentiation of cases by sex, age and kind of disease.

We feel that because our population is all male, or essentially all male, and because it is pretty much of an age, that we can go a little higher than that. Our hospitals are operating at between 86 to 90 per cent of capacity. This gives a little leeway, but not much. By any good standard applied to civilian hospitals, we would be in a dangerous position.

Mr. CLANCY: Is there any policy followed by the veterans affairs in providing medicine, prescriptions and so on, from a central depot to veterans who are under medical care, and living in their home towns?

Mr. CRAWFORD: Yes, there is. We do this. We supply drugs to veterans who are being treated on the doctor-of-choice plan, whenever possible, from a central depot. In doing so we save money. However, there are two exceptions. We will not supply any drug that is a narcotic. We will not ship any narcotics through the mail. We have made it amply clear to all practising doctors involved in this sort of operation that any veteran at any time in case of emergency, where a drug is urgently required, can obtain it locally and we will pay the bill. What we do ask is that repeat prescriptions, whenever possible, be filled from one of our central supply depots.

Mr. LOCKYER: Mr. Chairman, I would like to ask Dr. Crawford something about this new set-up of hospitalization insurance with the provinces. Does that mean the provinces will be sharing the cost of some of these?

Mr. CRAWFORD: That is true, but not, of course, for the pensioned veteran with his pension disability. That cost we continue to cover ourselves, as in the case of wards of other federal departments, armed forces and so on, which are still at the expense of the appropriate federal department entirely. But when we provide insured services to war veterans allowance recipients, we will charge the province. We will pay their premiums in premium provinces and we will charge the province for the appropriate number of days during which we were giving them the insured service; but this will not in any way prejudice the position of the veteran. He is completely untouched by all this. This is really merely a bookkeeping matter. We have worked out a device whereby if a man comes into our hospital with an insured illness and he gets insured treatment, we will charge the plan. At the end of a certain number of days we will say "as far as his acute illness is concerned he is ready to go home"; but there may be reasons why he cannot go home. There may be welfare reasons; pensions may want to look at him. Therefore, we transfer him into another class so he continues as he has in the past to follow a smooth uninterrupted course from entry to exit. For these extra days, we will pay the bill. The province will not be charged.

Mr. LOCKYER: I was just wondering—it is outside the question of veterans affairs to some extent—if the province is aware they are going to be saddled with this cost.

Mr. CRAWFORD: We have discussed this *in extenso* with every province which has signed an agreement. We have had the most amicable and fruitful discussions with the provinces. They all have not accepted this with equal willingness, but we have been able to come to a compromise arrangement.

Mr. ORMISTON: Is a veteran who has served in any theatre of war, but not in receipt of a pension although considered eligible for a pension, who becomes seriously ill from any cause whatsoever, eligible for commitment and treatment?

Mr. CRAWFORD: Under section 23, yes. That is the paying section. We might not be able to take him if we did not have room, but by and large we can.

Mr. CARTER: I have two or three questions. First, what is the procedure by which a man acquires treatment, apart from those who are brought in from medical boards? Can a man get treatment in a Department of Veterans Affairs hospital without being sent by some authority?

Mr. CRAWFORD: Oh yes he can, Mr. Carter. We would prefer he be referred to us by his own doctor and this is the usual way this is done. However, people do turn up in our out patient departments and we take a look at them and say "Oh, you are not sick enough for admission; therefore, you should be treated by your own doctor", assuming that he has no entitlement, but if the man needs admission to the hospital, if he is sick enough to be admitted, then he can go in through our own out patient department without referral.

Mr. CARTER: On his own initiative?

Mr. CRAWFORD: Yes.

Mr. CARTER: What is the position of a veteran who is referred to you for treatment for some service disability but when you get him in you find that he is suffering from some other condition which requires treatment? Do you treat for both of these conditions or just for the one connected with his service?

Mr. CRAWFORD: It has been our policy to carry out what we call concomitant treatment. If he comes in with a disability of the knee which is service connected and we find he has a gastric ulcer and is in need of surgery we are likely to operate. The only proviso about this is that this must not prolong the treatment beyond what he would be entitled to for his knee.

Mr. HERRIDGE: Dr. Crawford, I think you possibly realize I have a word or two to say about these guests from other departments. I do not blame the Department of Veterans Affairs for a moment, but there are two classes, I understand, that can be denied admission. One is a destitute veteran who does not qualify because he is not qualified for war veterans allowance—he has not 365 days service in England and has served only in Canada.

Mr. CRAWFORD: Well, I think the problem sir is one of interpretation of destitution. If the man qualifies as destitute under our treasury board scale in section 13, we take him in.

Mr. HERRIDGE: There is a class of veteran that can be destitute but has not qualifying service. He has donned a uniform and served his country but he is denied admission. My point has been that while we have to look after sick people, if we can provide accommodation in veterans hospitals for these guests of other departments at least we should be able to provide accommodation, medicine and hospital treatment for these veterans at present disqualified under the law and regulations.

Mr. CRAWFORD: This, of course, is a matter in which you will have to give me direction. And I can say that we will do what we are told. There is one thing you should bear in mind which perhaps will relieve this difficulty in the future, in that in every province of Canada eventually, I hope, and soon in most of them,—in six of them right now— every resident of the province has his way paid in hospital; so to all intents and purposes these fellows are paying patients. They come in under the plan.

Mr. HERRIDGE: Not for medical treatment.

Mr. CRAWFORD: No, but what have they got to pay? There are lots of people who come in. Doctors are treating indigent patients every day. A patient is never turned away from a doctor's door because he cannot pay the bill.

Mr. HERRIDGE: I realize that. It is the principle to which I object. I am not blaming the department. I had a similar case in my own constituency of a man who suffered quite severely. He has been to Shaughnessy on one or two occasions. He was denied admission this year because apparently they were filled up on account of some of these guests.

Now he can well afford to go to some other hospital but he has never had the same satisfaction at any other hospital that he had at Shaughnessy.

This is a group which I think should not be denied admission to veterans hospitals because they are filled up or occupied by "guests" of other departments. That is just my theory.

Mr. CRAWFORD: Perhaps some time I can express to you the hopes I have for making some more room in our hospitals. I have some ideas up my sleeve but they will cost you money.

Mr. HERRIDGE: Now, doctor, were there any women or children of these "guests" of other departments treated in your department?

Mr. CRAWFORD: We have had some women in, yes. At Ste. Annes and at Queen Mary we had a few women in who were psychotics; and we had some at Shaughnessy too.

Mr. HERRIDGE: Yes. I have had letters from ladies in British Columbia about it.

Mr. CRAWFORD: I have a list. We have had perhaps half a dozen individuals who were in for recurring treatment.

Mr. HERRIDGE: Wives or widows of veterans would not be admitted under any circumstances?

Mr. CRAWFORD: That is right; we do not provide care for them.

Mr. BEECH: I wonder if the witness could tell us if there is any difference in the rate which he collects from the provincial government of Ontario as compared to the rate charged to patients who come under section 23?

Mr. CRAWFORD: This is a little involved. In the past we have charged section 23 patients with an average rate. We have taken the cost of operation of all our hospitals across the country and we have averaged it out and said "Here is the rate which comes out to around \$14—in fact, \$13.25, and this is what we shall recover for the treatment we provide under section 23."

In each of the provinces of course, they are not interested in any average rate. What they want to know is what they are paying for the institution in their particular province. So then, vis a vis the provinces, we have sat down with them and worked out the cost of operation of each individual hospital, and this is the cost we have agreed on, or the price we have agreed on for the provision of our insured services.

Mr. BEECH: I wonder if the federal government would not have to subsidize it.

Mr. CRAWFORD: Well, the government is subsidizing the whole hospitalization plan down to about 50 per cent, is it not?

Mr. BEECH: The \$14 which you mentioned would not normally cover all the expenses of this one patient. Now if the rate is going to be lower—and I assume it is—

Mr. CRAWFORD: As far as the veteran is concerned we are still going to use this average rate.

Mr. F. T. MACE (*Assistant Deputy Minister, Department of Veterans Affairs*): No, no. Mr. Chairman, the arrangement with Ontario is that they will pay a rate in respect to our hospitals which is computed on the same basis that any civilian hospital establishes its costs.

We have already had the auditor from the hospital commission down and we have gone over our figures. As a matter of fact we found that we had to put in quite a few items that we did not normally put in because they are admissible in civilian accounting.

The result is that our rate will be quite adequate and will, I think, be almost equal to our cost of operation in Ontario.

The matter of the rate of recovery from veterans who, for some reason or other, are not covered by the plan, and who when they come into our hospitals may have to pay, is still under consideration, because, as has been said, we have in the past averaged our active treatment rate right across Canada.

We are being forced into institutional rates under the different federal and provincial schemes. Therefore our arrangement with each province is slightly different. It varies a bit here and there but generally speaking its cost is based on the same basis as civilian hospital cost accounting practice.

But it is causing us to take a completely new look at how we shall charge individual veterans.

Mr. BEECH: I could see it coming up.

Mr. MACE: The other angle is that the conditions vary in each province. Whereas before there used to be a general rate right across the country.

Mr. BEECH: There will be a difference, we hope, for the different veterans, which is not covered under the plan as against the rate you expect from the province?

Mr. MACE: The veteran covered by the plan is not interested in the rate at all. He simply comes in and shows his card and that is it.

But if he comes under section 23 and has no plan of coverage and does not qualify under section 13, then he will pay the rate we have established.

Mr. L. LALONDE (*Deputy Minister, Department of Veterans Affairs*): He will not pay more than the cost to the federal government for his hospitalization.

Mr. BEECH: There will be a difference in the rate we collect from the province, will there not?

Mr. LALONDE: That is not impossible because the cost varies with each province.

Mr. FANE: I would like to ask about what, if any, degree of pensionable disability is required to make a veteran eligible for free treatment in a veterans hospital.

Mr. CRAWFORD: You mean free treatment for his pensionable disability.

Mr. FANE: For what degree?

Mr. CRAWFORD: As far as his pensionable disability is concerned he may have no cash pension at all. He may only have been awarded entitlement to treatment by the Canadian Pension Commission, and that is the authority for us to treat him.

Mr. FANE: That is, for an actual wound?

Mr. CRAWFORD: For an actual wound, and it ends there.

Mr. FANE: Suppose a veteran has 75 or 80 per cent disability. Is he eligible for treatment for everything, or only for his pensionable disability?

Mr. CRAWFORD: Well, there are two things. First of all, if a pensioner with a 100 per cent disability, let us say, such as an amputation case, catches pneumonia which is not attributable to his amputation, he has no entitlement at all for the treatment of his pneumonia. But it might happen, because his total pension is exempt from calculation of income for the purposes of getting him under section 13, that he is well qualified on that basis. But there is no level of pension that affects the treatment of non-pensionable disabilities as such.

Mr. FANE: Yes, I have had that put up to me a lot of times.

Mr. CRAWFORD: There has been a great deal of comment about free treatment for everything to pensioners who were in receipt of 50 per cent or better. There are pros and cons to this as there are to every argument.

Mr. CARTER: These pensioners are not so well off as people getting the war veterans allowance as far as I am concerned.

Mr. CRAWFORD: You said that, Mr. Carter. I did not say it.

Mr. MacEWAN: I would like to bring this case to Dr. Crawford's attention. The details have been given to me and I understand they are correct to the best of my knowledge. A veteran was allowed to enter Camp Hill Hospital by his own doctor, a doctor of his choice. He had no pensionable disability.

He was operated upon in Camp Hill Hospital for glandular trouble. Following that he went home. But he still had to go to his doctor because he required some pills as treatment for his post-operative condition, and these were provided for. Is that the normal practice?

Mr. CRAWFORD: He was a paying patient under section 23?

Mr. MacEWAN: No. He was not paying anything.

Mr. CRAWFORD: Here again is a bit of the rather abstruse philosophy which lies behind the matter.

If a man pays nothing under section 13 we say he is a medical indigent and we look after him and supply drugs because he does not have the money to pay for them himself. We will provide, according to the regulations up to three months out patient treatment during which we will supply him with the necessary drugs, dressings and so on.

In practice I have found—I do not question this—that this period of out patient treatment goes on considerably longer than three months. I do not worry about it. If a man pays something toward his hospital bill, then we in our righteousness say that this man should really be a private patient of someone else's and we send him back to his own doctor and tell him to look after the patient from here on in. We do not supply drugs to this type of person.

Mr. MacEWAN: This man is destitute, he has a large family and he is awaiting a board ruling in regard to a pension.

Mr. CRAWFORD: Of course, if he is successful in this way we will then pick up all his medical expenses for three years back.

Mr. REGNIER: What is the amount of the fee paid to a doctor employed on the fee basis?

Mr. CRAWFORD: You are asking what we pay?

Mr. REGNIER: Yes.

Mr. CRAWFORD: Until last year and for some lengthy period before that the rate was \$15 per half day for a general practitioner's services and \$30 per half day for a specialist's services. These rates had not been changed for a long time. A full time doctor's salary was increased, the Civil Servant received an increase in salary and finally I complained so much that the treasury board raised the fee last year, or early this year. It was raised to \$36 per half day for a specialist's services and to \$18 per half day for a general practitioner's services.

Mr. REGNIER: Thank you.

Mr. HERRIDGE: I want to take advantage of the doctor's presence.

I know of a chap who has a war veterans allowance, who lives in a small isolated community. He has a very bad heart condition, I presume, because he is unable to do anything at all. He cannot gather his own wood. He was provided with a prescription by the Shaughnessy hospital. A very well known heart specialist came to his small community to do some fishing. He saw this chap and prescribed some other drug which the man bought at a local drug store. This individual imagined that he felt much better after taking the new drug. This drug did not appear on your list of drugs, and I believe

cost this man about \$7 or \$8 per month. He has very little. In fact, he has nothing more than his war veterans allowance and his own home. I was wondering if it would be possible under circumstances such as those for the Department of Veterans Affairs to contribute the allowable amount toward the cost of the drug in question, which I understand costs about twice as much as the prescription which was provided initially.

Mr. CRAWFORD: I suppose it would be possible to do this, sir. We have not done it. Our list of drugs, which we put out annually and amend quarterly, or thereabouts, is recommended to us by a Pharmaceutical Committee which is composed of the professors in medicine of most of the Canadian universities. They sit down and tell us what they feel is an adequate list of drugs to cover all the conditions we are likely to meet.

Unfortunately, in the drug business as in many other business one frequently has to pay an awful lot for a name when the actual active ingredients could be supplied in a much cheaper form quite satisfactorily.

Mr. HERRIDGE: I am under the impression that the effect is psychological.

Mr. CRAWFORD: A large portion of it probably is.

Mr. HERRIDGE: In fact I am almost certain that it is psychological.

Mr. CRAWFORD: All I can say is that it is unfortunate that the eminent heart specialist interfered. We were probably doing all right the way we were before.

Mr. CARTER: Should it make any difference if the effect was psychological as far as the veteran is concerned? Does it matter whether the effect is psychological or not?

Mr. HERRIDGE: This particular veteran claims to feel very much better.

Mr. CRAWFORD: This question takes us into an extremely difficult realm of treatment, psychological likes and dislikes.

If the Department of Veterans Affairs had an unlimited amount of money and really did not give a damn about how much it spent or how the treatment was carried out it might be all right to say, "give him whatever he thinks does him the most good".

Of course, we cannot do this as we work on a budget.

Mr. CARTER: My point was, how do you distinguish between what is psychological and what is not? The result of the other drug might be psychological too.

Mr. CRAWFORD: I assure you, sir, this can be done. It is measurable in the majority of cases.

Mr. CARTER: I think in the case of drugs, there is a lot of psychological effect as I believe there is in respect of other types of treatment. I do not see why one example should be picked out and labelled psychological any more than any other.

Mr. CRAWFORD: If we are going to treat a man psychologically, or if we are going to treat a psychological illness we perhaps should treat him in an entirely different way. We should perhaps look back into his childhood somewhere.

Mr. LALONDE: I think, Mr. Carter, that possibly Dr. Crawford is at a disadvantage in discussing this sort of thing. Maybe Dr. Crawford does not want to say this but I have seen a number of reports in this respect from our specialists who I believe are amongst the best doctors in Canada. They have looked after patients in hospitals for lengthy periods of time. These doctors have told these patients that certain drugs were not good for them. The patients then went to doctors outside of our hospitals and those doctors told those same patients that that drug was the drug which should be used.

There you have contradictory opinions of two doctors. As far as the Department of Veterans Affairs is concerned we must stand by the opinion of our own specialist and must rule against a veteran in that case. The veteran normally does not like our ruling because he feels that his own doctor is a good doctor and that what that doctor prescribes for him does him a world of good. This must be a psychological effect. Our own doctors, who have had the patients under their care for lengthy periods, tell us that these drugs should not be used and we must take their opinion.

Mr. ROGERS: I would just like to say, Dr. Crawford, that I think there was a lot of confusion about the free treatment for veterans during our rehabilitation program when the regulations stated, "—free treatment for veterans—", when in fact it meant only treatment for war disabilities.

Mr. CRAWFORD: These veterans did receive free treatment for a year, sir, after they came home, although there always was this time limitation attached to it. You are speaking of this treatment during the period of rehabilitation?

Mr. ROGERS: I think there is a lot of confusion in veterans' minds in regard to this free treatment.

Mr. MONTGOMERY: I am afraid I do not understand clearly the situation in regard to provincial schemes. Under a provincial scheme a veterans hospital bills the province for hospitalization, x-rays and things of that nature for such a period as the doctors at the veterans hospital feel necessary.

Could you tell me who pays the doctors bills?

Mr. CRAWFORD: Again, sir, I think we will have the same classification of people as before. We know that we will encounter war veterans allowance recipients who cannot pay doctors bills. They will receive medical treatment and hospitalization free as in the past. In practice, our doctors do not send a bill to a man with a limited income because they know that he has no money and is not in a position to pay it in any event. That sort of practice will continue, certainly.

However, a man who is fortunate enough to qualify under section 23 must pay his own medical bills. The difference now is that the plan pays us for hospitalization instead of the patient paying us. His medical bills will still be his own responsibility.

Mr. THOMAS: I would like to ask Dr. Crawford if the Department of Veterans Affairs treat the so-called cases from other departments free, or do these other departments pay for their care in veterans hospitals? I refer to such persons as Royal Canadian Mounted Police personnel and Hungarian refugees.

Mr. CRAWFORD: Everyone of them is paid for at our cost by the department concerned. They reimburse us for the services we render.

Mr. HERRIDGE: You can take the United States service men who get paid in the same way.

Mr. CRAWFORD: Yes, because it is the Department of National Defence of Canada that asks us to do it. They assume the cost of this service.

Mr. HERRIDGE: I wonder, Doctor, what control you would have over a patient in a small country hospital? For instance, I once had this experience: A mother came to see me just after the second world war and told me about her son being in hospital. She heard that they could not do anything for him. He had cancer of the lung or something like that. Anyway I went to see the doctor and I suggested that they should send the man to the DVA hospital. They sent the man to Shaughnessy and he had one lung amputated. He is now working as a mner, and has been healthy ever since. What does your department do to keep in touch with local patients in hospitals?

Mr. CRAWFORD: As I have already said, we try to discourage this doctor of choice plan. For this and other reasons we feel we can provide better treatment, without being too immodest about it, in our hospitals than is provided in small outlying hospitals. So we like these patients to come to us. When a man goes into a small country hospital—or a small town hospital—and he says: "I am a war veterans allowance recipient from the Department of Veterans Affairs who is paying my way"—it is incumbent upon the administration of the hospital to advise us that the man has been admitted and give us a diagnosis. We get a preliminary report about the man from his doctor at the time. At the time the representative of the S.T.M.O. takes a look at this and says: "Well this looks like a pretty simple business according to the report we have. He will be better before too long. It is a long way to bring him and he is with his family there. Let us leave him there and see how he gets along." Contrarywise, he will say: "This looks pretty complicated, we will get this fellow into hospital." We send for him and bring him in and pay his way. If the man is left where he is we get a progress report from the hospital at regular intervals as to what is being done. So we do try, within the limitations imposed by any study of paper, to make a diagnosis and to keep a check on the treatment and progress of the individual.

Mr. HERRIDGE: How long after a patient is admitted do you wish the doctor who is treating the patient to make a report?

Mr. CRAWFORD: We like a report at the time he is admitted—a preliminary report to say that he is in hospital, and we get a progress report about once a month.

Mr. LALONDE: And we are accused of spinning too much red tape because we ask for these medical reports.

Mr. CRAWFORD: We are quite helpless in the case of a wrong diagnosis—where someone is diagnosed as having pneumonia when he has cancer of the lung, or something like that.

Mr. HERRIDGE: This man was only expected to live a few days until he arrived at Shaughnessy hospital. Today he is mining.

Mr. CARTER: I was going to suggest that we would be more in favour if Dr. Crawford could sit down and relax.

The CHAIRMAN: You are quite at liberty to do so, Dr. Crawford. We have plenty of altitude. We can even see you in a sitting position.

Now, have we finished with item 476? Also related to that is item 652 in the supplementary estimates. Can we pass it also?

Items 476 and 652 agreed to.

Item 477 agreed to.

478. Hospital Construction, Improvements, Equipment and Acquisition of Land \$4,481,000

Mr. CARTER: Will the minister answer questions on policy in regard to this. Is that first item still open?

The CHAIRMAN: Yes the first item is still open.

Item 478 agreed to.

479. Prosthetic Services—Supply, Manufacture and Administration \$1,206,934

Mr. ORMISTON: I should like to ask a couple of questions of Dr. Crawford. I understand further in the prosthetic shops the Goodyear stitchers are used almost exclusively. Am I right?

Mr. CRAWFORD: I can not tell you that detail, I could find it for you.

An Hon. MEMBER: You sell them.

Mr. ORMISTON: I do not sell them. I want to know are those procured on a tender basis or does the government deal with the Goodyear exclusively, because all the shops I have been in the Goodyear machine is standard; and I was only asking out of curiosity if a tender was asked in the supplying of those machines.

Mr. CRAWFORD: As far as I know it is, but I am not sure.

Mr. ORMISTON: I want to know if they are bought outright or leased at \$750 a month from the Goodyear Stitcher Company?

Mr. CRAWFORD: We own all our machines. I think Mr. Mace can tell you how they were bought.

Mr. MACE: I think sometime ago we did rent them from the Goodyear people but I think this was before my time—between 1944 and 1945 there was a change. I think we purchased all of them. We own them.

Mr. LALONDE: We could check on this and answer it at the next meeting. I would rather be sure.

Mr. ORMISTON: There are other machines that can be brought from the United States, Great Britain and Germany which are supposed to be of equal quality and costing less money. With the present rate of exchange it might be easier to procure machines in Great Britain.

Mr. LALONDE: I expect these machines have been there for some time.

Mr. ORMISTON: For a considerable time, yes.

Mr. MACE: I know we are planning to buy one in Regina.

Mr. THOMAS: We slipped through item 478 quite rapidly. I wonder if I could ask a question. Does the Department of Veterans Affairs build their own hospitals or is that construction turned over to the Department of Public Works?

Mr. CRAWFORD: The Department of Public Works build our hospitals.

Mr. THOMAS: In your preliminary address, Dr. Crawford, did you cover the proposed construction of works in a general way—major works that are now in progress.

Mr. CRAWFORD: No sir.

Mr. THOMAS: I wonder if it would be wise to have a brief summary of that. This is a very large item.

Mr. LALONDE: By virtue of a decision of the treasury board the policy has been laid down that our department would at no time have more than two major construction projects going. We have followed that policy for a number of years. Last year for instance we had a major construction project at Deer Lodge at Winnipeg and a major project at Colonel Belcher in Calgary. Colonel Belcher is now finished and we started on a major project at Shaughnessy hospital. We expect that Winnipeg will be completed this year. There is a proposal in the estimates for architect fees and a start on construction at Westminster hospital in London. Perhaps I should say that this is a replacement program. It is not a new construction program in the sense that we are building beds additional to those we already have.

At Shaughnessy we propose replacing 250 beds which are located in what is commonly called, I think, the Marine building. It is a rather dilapidated one storey building which was built quite some time ago and is really in poor shape. It is full of patients so we hope to have a complete new wing to replace that accommodation within the next two years, that is if it is completed within that time.

At London we also have frame accommodation in which we have quite a number of patients. The active treatment side of the hospital must also be modernized, so it is proposed to build a 300 bed wing as a replacement for the

beds that we will have to give up in the building that will be demolished as soon as the new wing is completed. These are our two major projects for the next fiscal year. These are the two new projects included in the 1958-59 estimates.

In addition we have a number of minor projects to improve existing accommodation. For instance, we propose to improve the interior of pavilions B and C at Camp Hill hospital, which pavilions used to house tubercular patients. We have no more patients to put in there so we propose to modernize that accommodation and use it for another type of patient.

We also have alterations in the Queen Mary Veterans hospital. We are building new biochemistry and radiology laboratories there.

We also have another project going on. It started last year and we are going to complete it this year. That is new air-conditioning in the operating rooms and recovery rooms at Sunnybrook hospital. Although this is a fairly modern hospital, this air-conditioning was not done properly at the time it was built and we feel that it is such a busy place that it should work under ideal conditions.

We are also completing a new stores building in Westminster. The stores and the equipment were previously located in the basement of a frame building called the Colony unit. It was underground, and working conditions were pretty bad so we are now building a separate stores building which will be above ground.

Within the minor projects we are also building a new prosthetic and maintenance building in Victoria. I think Mr. Herridge would be familiar with the space occupied by the prosthetic shops in the Belmont building. We hope to complete, within the next fiscal year, the new prosthetic shop at Victoria. There are a number of small items, but in the main this covers the program.

Mr. CARTER: I note that Mr. Lalonde made no mention of Newfoundland in that program. Is it a matter of policy which is not yet settled, or is it just deferred for another year?

Mr. LALONDE: The only thing I can say, Mr. Carter, and that is all I am empowered to say, is that it is under active consideration.

Items 478 and 479 agreed to.

The CHAIRMAN: Now we have item 485, the war veterans allowances and other benefits, treatment and other allowances.

Are there any comments?

Mr. MONTGOMERY: Do they do any work at Lancaster for the merchant marine or in quarantine services? Perhaps that is not under this item.

Mr. CRAWFORD: This is covered by the Department of Health and Welfare. They pay us for the services we provide.

Mr. MONTGOMERY: Are the services for those people carried out by you?

Mr. CRAWFORD: Yes. We do sick mariner or merchant marine work in our coastal hospitals.

Mr. MONTGOMERY: What about immigration?

Mr. CRAWFORD: Immigration does not impose much of a load on us, except in the recent influenza epidemic when there were no places for the patients who landed to go. We had quite a number of influenza cases, briefly, in our hospitals.

Mr. MONTGOMERY: What about cases of quarantine?

Mr. CRAWFORD: We only handle a small portion of those.

Mr. MONTGOMERY: Do you not have a little isolation hospital at Lancaster?

Mr. CRAWFORD: There is a big building which is a quarantine hospital. The title of it lies with the Department of National Health and Welfare, but we use it.

Mr. MONTGOMERY: Then there is still another small isolation hospital?

Mr. CRAWFORD: Down the hill?

Mr. MONTGOMERY: Yes. Is that used at all?

Mr. CRAWFORD: The isolation hospital is handled by the quarantine people themselves.

Item 485 agreed to.

Supplementary item 653 agreed to.

The CHAIRMAN: Gentlemen that concludes treatment services. Thank you very kindly, Doctor Crawford, for the information which you have supplied to the committee. We have no further business at this particular moment before the committee unless the deputy minister has any information which he wishes to bring forward at this time.

Mr. LALONDE: The only departmental estimate to place before the committee is the Veterans Bureau, and the committee agreed the other day that it would be better to look at it after you had looked at the Pension Commission items.

The CHAIRMAN: On Monday next we shall hear from the chairman of the Pension Commission, Brigadier Melville, and following that the Director of the Veterans Bureau, Brigadier Reynolds.

I am informed that we have lost this room for next Monday and we will meet in room 277, the Railway Committee room; that will be next Monday at 10:30 a.m.

The committee adjourned.

HOUSE OF COMMONS

First Session—Twenty-fourth Parliament

1958

STANDING COMMITTEE
ON
VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

Estimates 1958-59 of the Department of Veterans Affairs

MONDAY, JULY 7, 1958



WITNESSES:

Mr. J. L. Melville, Chairman, Canadian Pension Commission;
Mr. F. T. Mace, Assistant Deputy-Minister, Department of Veterans Affairs.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1958

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.,

Vice-Chairman: G. W. Montgomery, Esq.,

and Messrs.

Anderson	Herridge	Peters
Batten	Houck	Regnier
Beech	Jung	Roberge
Benidickson	Kennedy	Robinson
Bigg	Lennard	Rogers
Broome	Lockyer	Speakman
Cardin	Macdonald (<i>Kings</i>)	Stearns
Carter	MacEwan	Stewart
Clancy	MacRae	Thomas
Denis	McIntosh	Webster
Fane	McWilliam	Weichel
Forgie	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.



MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 277,
MONDAY, July 7, 1958.

The Standing Committee on Veterans Affairs met at 10:30 a.m. The Vice-chairman, Mr. Gage Montgomery, presided over the first hour due to the unavoidable absence of the Chairman; Mr. Walter Dinsdale took the Chair for the last hour of the proceedings.

Members present: Messrs. Batten, Beech, Broome, Dinsdale, Fane, Herridge, Lockyer, Macdonald (*Kings*), MacEwan, MacRae, McIntosh, Montgomery, Ormiston, Regnier, Robinson, Rogers, Speakman, Webster, Weichel, and Winkler.

In attendance: Mr. J. L. Melville, Chairman, Canadian Pension Commission, and Mr. L. A. Mutch, Vice-chairman. Also, Mr. Lucien Lalonde, Deputy Minister of the Department of Veterans Affairs, Mr. F. T. Mace, Assistant Deputy Minister; Mr. P. E. Reynolds, Chief Pensions Advocate; Mr. F. L. Barrow, Departmental Secretary; Mr. J. G. Bowland, Chief, Research and Statistics; and Mr. C. F. Black, Superintendent of Veterans Insurance.

At the opening of the proceeding, Mr. Montgomery explained that the Chairman, Mr. Dinsdale, was unavoidably late due to delay in air transportation.

Mr. Montgomery explained that there was a shortage in the distribution of the printed report of the Minutes of Proceedings and Evidence and invited a motion to increase the number of the English version; whereupon,

On motion of Mr. Broome, seconded by Mr. Herridge,

Ordered,—That pursuant to the Order of Reference of June 23, 1958, the Committee print 200 more copies in English of its Minutes of Proceedings and Evidence, thus bringing the day to day total to 950 copies in English and 250 copies in French.

The Vice-chairman introduced Mr. Melville and Mr. Reynolds to the members.

Item 489 was taken into consideration with Mr. Melville under questioning.

At 12.45 p.m. the Committee adjourned to meet again at 10:00 o'clock a.m. Thursday, July 10th.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

MONDAY, July 7, 1958

10.30.

The VICE-CHAIRMAN: Gentlemen, our chairman has apparently been delayed. We have no news of him but we do have a quorum. It is unfortunate that we have not got more members.

We have with us this morning the Chairman of the Canadian Pension Commission Mr. J. L. Melville, as well as the chief pensions advocate, Mr. P. E. Reynolds.

The first item this morning—but before we go any further I would like to say that we are running short of English copies of our reports and proceedings. So I would like to entertain a motion for more copies.

Mr. BROOME: Mr. Chairman, seconded by Mr. Herridge I move that pursuant to the order of reference of June 23, 1958, the committee print 200 more copies in English of its minutes of proceedings and evidence, thus bringing the day to day total to 950 copies in English and 250 copies in French.

The VICE-CHAIRMAN: You have heard the motion. Are you ready for the question? I declare the motion carried.

The item to be considered this morning, gentlemen, is 489, Canadian Pension Commission.

489. Administration expenses \$2,519,695

Since we have Mr. Melville, we shall permit him to proceed in whatever way he wishes.

Mr. J. L. MELVILLE (*Chairman, Canadian Pension Commission*): Mr. Chairman, and gentlemen: it is my pleasure once again to appear before a committee of veterans enquiring into pension matters and matters relating to them. First of all, may I express my regret that absence on duty in the west prevented me from being at your previous sessions. But I have read the proceedings of the committee, and taken note of a few questions which arose with regard to pensions.

I am happy to have on my immediate right, Mr. Leslie A. Mutch, deputy chairman of the commission, and a former chairman of the committee on veterans affairs.

It is my desire to assist this committee in every way possible in connection with its examination into the estimates of the commission, and I am prepared to answer any questions you may have. However, if I have not got the answers immediately available, I would be only too happy to get them for you.

In order to assist you I thought it might be well if I prepared a few questions and the answers to those questions because they relate to the set up of the commission, and I think they will make our position clear to you. So, if that is all right with you, Mr. Chairman, may I proceed?

The VICE-CHAIRMAN: I think that is a good idea.

Mr. MELVILLE: What is the Canadian Pension Commission?

The Canadian Pension Commission is an independent body created by statutory authority which—and here I quote from the act:

5.(1). Subject to the provisions of this Act and of any regulations, the commission has full and unrestricted power and authority and exclusive jurisdiction to deal with and adjudicate upon all matters and questions relating to the award, increase, decrease, suspension or cancellation of any pension under this Act and to the recovery of any

overpayment that may have been made; and effect shall be given by the department and the comptroller of the treasury to the decisions of the commission.

Now, what does the Canadian Pension Commission administer?

The commission is responsible for the administration of:

- (1) The Pension Act.
- (2) The Civilian War Pensions and Allowances Act.
- (3) Any like duties in respect to pensions or allowances which the governor in council may impose on the commission.

That is according to section 6 of the act. An example is known as the flying accidents compensation order, the original order was passed in 1922 with the intent of making provision in the public service—at the time flying was nothing like it is today and the hazards were very much greater; so that special order was passed then.

How does the commission report to parliament?

The commission is attached to the Department of Veterans Affairs and it reports to parliament through the minister of that department.

The chairman has the rank and the powers of a deputy head.

The staff of the commission is assigned to us by the department,—such staff, officers and employees as, in the opinion of the minister, are necessary for the discharge of our duties and responsibilities.

The department also furnishes us with accommodation and such other services as may be necessary.

Who constitute the commission?

- (a) The act states that the commission shall consist of not less than eight members and not more than twelve, who shall be appointed by the governor in council for a period not exceeding ten years.
- (b) For the appointment of not more than five ad hoc commissioners whose appointment shall not be in excess of one year, but may be renewed.
- (c) For the appointment of one of the commissioners to be chairman and another to be deputy chairman.

One very important aspect of commission work is the powers of the commission, and they are defined in section 5, sub-section 5, of the Pension Act:

“The commission shall determine any question of the interpretation of this Act and the decision of the commission on any question is final.”

How many members constitute the commission to date?

There is a chairman and a deputy chairman who is before you now and who appeared at your previous sessions in my absence.

There are ten commissioners and three ad hoc commissioners making a total of 15. So that we have the twelve “term” commissioners if I may call them that, which is the maximum number the statute allows; and in addition to that the three ad hoc commissioners.

Having given you this brief outline of the statutory authority as to what constitutes the commission, may I now give a brief description of the set-up today, following which I shall be pleased to answer any questions and assist the committee in its deliberations.

The commission has its head office in Ottawa with the department. Throughout Canada it has representatives known as senior pension medical examiners in each district of the department.

To assist the committee, Mr. Chairman, I now wish to table a statement giving the names of the commissioners, the branches in which the commission is divided at the head office, together with the names and addresses of the senior pension medical examiners in each district, because I think it would be of assistance to members to know who is the senior pension official in their own area; also the number of doctors on the staff at the head office.

THE CANADIAN PENSION COMMISSION

Head Office:

- Chairman—J. L. Melville.
- Deputy Chairman—L. A. Mutch.
- Commissioners—O. F. B. Langelier, J. M. Forman, J. R. Painchaud, Dr. J. F. Bates, W. H. August, Dr. W. L. Coke, L. W. Brown, S. G. Mooney, Dr. U. Blier, Dr. R. R. Laird, N. L. Pickersgill, (ad hoc), C. B. Topp (ad hoc), D. G. Decker (ad hoc).
- Secretarial staff.
- Claims and Review Branch.
- Medical Advisory Branch.

District Offices:

Senior Pension Medical Examiners: Vancouver—Dr. J. W. Laing, Shaughnessy Hospital; Victoria—Dr. W. W. Bell, Belmont Building; Edmonton—Dr. C. Greenberg, Federal Building, P.O. Box 640; Calgary—Dr. C. A. Findlay, Colonel Belcher Hospital; Saskatoon—Dr. J. G. Fyfe, Federal Building; Regina—Dr. J. G. McLeod, Motherwell Building; Winnipeg—Dr. V. J. McKenty, Commercial Building; London, Ont.—Dr. W. R. Fry, Westminster Hospital; Hamilton—Dr. R. B. Gillrie, National Revenue Building; North Bay—Dr. G. A. Cowie, Federal Building, P.O. Box 540; Toronto—Dr. J. G. Ferguson, Sunnybrook Hospital; Ottawa—Dr. J. C. Armstrong, #8 Building, Carling Avenue; Kingston—Dr. E. S. Bird, Richardson Building; Montreal—Dr. H. Payette, 35 McGill Street; Quebec City—Dr. C. V. Demers, Ste. Foy Hospital; Saint John, N.B.—Dr. H. B. Bustin, Lancaster Hospital, P.O. Box 1406; Charlottetown—(Awaiting appointment) Confederation Building, P.O. Box 1300; Halifax—Dr. R. S. Henderson, Camp Hill Hospital; St. John's, Newfoundland—Dr. J. G. D. Campbell, Buckmaster Field, P.O. Box H-242.

Staff:

Staff at Head Office,—	
Medical Advisers	18
Other staff	160
Total staff at Head Office	178
Staff in District Offices,—	
Pension Medical Examiners	40
Other staff	176
Total staff in District Offices	216
Grand Total	394

With that general statement, Mr. Chairman, I am now very glad to answer any questions.

The DEPUTY CHAIRMAN: Thank you very much, Mr. Melville. I think that was a very good outline.

Now, gentlemen, would you like to have Mr. Reynolds make some general remarks before we start the questions?

Mr. P. E. REYNOLDS, (Chief Pensions Advocate, Veterans Bureau): No, I don't think so, Mr. Chairman.

The VICE CHAIRMAN: Then we shall reserve your remarks, Mr. Reynolds, until later.

Now, we shall throw the meeting open for questions. Mr. Herridge.

Mr. HERRIDGE: Would the chairman of the pension commission please tell the committee what procedures a veteran goes through from the time of his making application for a pension, the re-hearings, the appeals and so on, so that the whole thing is in the record in sequence. I know he enjoys doing this.

Mr. MELVILLE: Isn't that a modest request?

Mr. ORMISTON: How many doctors are on the pension commission?

Mr. MELVILLE: At the head office we have 18 medical advisers and a staff of 160. That staff is made up of the secretariat, the medical advisory branch, and the claims and review branch. That is the head office set-up.

In the districts throughout Canada we have 40 pensions medical examiners and 176 members of the staff, making a total of 216 in the districts.

The total staff of the commission numbers 394. I trust that answers your question.

In answer to your question, Mr. Herridge, there are two procedures in effect. The first is the procedure which relates to World War I veterans, as you know. The second procedure is the one which relates to claims arising out of World War II service, and service in the theatre of operations, which was Korea. Peace time service is on a different basis.

Now, even today—and every day—the commission rules on applications for pension consideration arising out of service in World War I.

There are quite a number and the procedure is this: the act was amended in 1936, and established this new procedure for World War I veterans, who may possibly have a claim for entitlement to pension.

The commission receives an application through one of the districts. It may come directly from the veteran himself, the veterans bureau or in a number of cases through the legion, either at the provincial command level, or through one of the service officers at legion headquarters.

That claim comes to the commission, and it is referred to the medical advisory staff. The medical advisory staff of the commission is divided into five branches. One is the cardiac, lung, and renal division which deals with claims in that category. Number two is for ear, eye, nose and throat claims; three is for gunshot wounds; four is for general diseases; and five is for psychiatric.

So, depending on the classification into which the application falls, the claim in question is referred.

The medical adviser concerned makes application to the director of the war service records for the documents which were completed during the applicant's service in world war one.

These documents are obtained and reviewed by him, and he records on the medical precis the relevant entries from the records.

It is most important as to how completely these records deal with the claimant's disease or wound, and as to the treatment he had in probably a field ambulance, or in a casualty clearing station, or at a general or a base hospital, maybe it was in Canada.

He prepares his medical precis, and at the conclusion he states his opinion as to whether or not the disability was incurred or aggravated during service. That opinion, with the file and documents comes into the board room where it is considered by one of my colleagues.

He in turn examines the records and he notes the opinion of the medical adviser and he—and he alone—is responsible for the real decision as to whether or not that disability was incurred on or aggravated during service.

He takes it away with other applications and he dictates his decision.

The Pension Act provides that a decision of the commission shall be the decision of two commissioners. So when that decision comes back to the board room, it is reviewed by one of my colleagues. The reasons are fully stated in the decision. If he concurs, he signs it.

Then it is reviewed by a second commissioner who follows the same procedure, and if he concurs, he also signs it, and that constitutes the decision of the commission.

That decision is promulgated through the secretariat. The applicant is advised of our decision and of the reasons leading thereto and he receives a copy of it. He is also advised as to the procedure open to him should he desire to proceed further with his claim. What he may do is this: that decision is known as the first hearing in world war one claims. He is advised that he has the right to proceed further with his claim, and may request a second hearing.

In the letter of advice that he receives, it is stated to him that the services of the veterans bureau—represented here by the chief pensions advocate—a branch of the Department of Veterans Affairs, are available to him without any cost whatsoever.

The chief pensions advocate is represented by the district pensions advocates in the various departmental districts in Canada. On the other hand, it is suggested to him that he may seek the advice and help of one of the national organizations of ex-service men, or should he so desire, he may engage counsel at his own expense.

The letter also advises him that there are certain time limitations in which he may submit his request to go to a second hearing.

If he presents a claim for a second hearing it again reaches the commission, and it is thoroughly reviewed once more by the medical adviser and in turn submitted to the board room for consideration.

If, upon consideration, the commission reaches the conclusion that the disability for which the application is made was incurred on service or was aggravated during service, entitlement is conceded.

An examination is then arranged through one of the pension medical examiners to determine the extent of the disability, and when it is assessed, pension is put into payment if the disability is of an assessable degree.

Should he fail to establish entitlement at a second hearing, again he is notified of our second hearing decision and is given the reasons leading to it, and what action is open to him. He now has the right to request the privilege of appearing before an appeal board of the commission sitting in his own locality.

At that time he must claim for all conditions, which he considers are related to his service.

I should state that before going to a second hearing, the veterans bureau would complete a summary of the evidence. They review the whole claim and the evidence relating thereto.

The Bureau take the evidence found in his service documentation and any other evidence which may be submitted, and that summary of evidence is used as the basis on which his claim is considered. The applicant may add thereto.

When the claim is listed with the commission as being ready for hearing by an appeal board, we review it and others to see how many cases are listed, say in Manitoba, or in Saskatchewan or Alberta, and then hearings are arranged; an itinerary is prepared, and the hearings notified to those concerned.

The applicant appears in person before the appeal board. He is allowed to have with him his advocate who assists him in the preparation and presentation of his claim; and he is entitled to have such witnesses as he may desire in support of his claim. His travelling expenses and those of the necessary witnesses are also paid.

That appeal board consists of three of my colleagues, three commissioners. The act provides that neither one of the three shall have considered that claim previously. In other words they treat it as a claim *de novo*, and it is considered by the three members of the appeal board.

Should it happen that one of them has adjudicated previously—the applicant is informed before the hearing opens that commissioner so and so who is a member of the appeal board has adjudicated on his claim on a previous decision, and the applicant is asked if he has any objection.

I might say that these commissioners do not remember a particular claim because they deal each day with a vast number of claims. But if the applicant should object, then his case is delayed and it comes before another board, with the composition of which the applicant has no objection to allege.

The next step is this: the Pension Act provides that the decision rendered by the appeal board is final and binding on the commission.

Irrespective of the decision rendered by the commission at the first or the second hearing, when the claim comes before the appeal board, the evidence is heard and the appeal board reaches its own decision.

If they concede entitlement, then a copy of their decision,—the original—is forwarded to the commission and we abide by that decision. The act states and I repeat that the decision of the appeal board is final and binding on the commission.

We instruct our pension medical examiner in the district concerned to arranged to have this applicant, whose claim has been conceded, called in for examination. The extent of the disability is assessed and, if of an assessable degree, pension is put in payment.

A pensioner is entitled to additional pension for his wife and his children; and if he has a dependent parent or parents who are supported by him, he is entitled to additional pension on their behalf.

That is the procedure which applies to World War I pension claims, and also to claims arising out of peace time service, although the basis of entitlement for peace time service is a little different, as I shall explain.

With regard to World War II we were faced with an entirely different situation. In World War I 650,000 men bore the badge of Canada. In the Great War, 60,000 met death and passed on. In World War II we had over one million members of the forces and had we carried on with the procedure which I have outlined, it is obvious there would have been a tremendous impact of claims arising out of World War II service. We would have had to set up an enormous body not only to deal with the claims, but to deal with the appeals.

I want to elaborate. After a great deal of consideration it was decided that the man who served in World War I had an opportunity from 1918 to 1936, when the act was amended, to study his case in order to collect evidence and present his claim to the commission. Then, in 1936 as I have explained, the statutory limitations were imposed. With respect to World War II, the procedure was changed and we said the commission shall render an initial decision, and after that an applicant may renew his claim as often as he desires if he has additional evidence. He can come back for four, five or six renewals. The commission imposes no restriction in that regard. At any stage after the initial decision, he may request an appearance before an appeal board. There were a number of sound reasons which led to that decision. One was to obviate the impact and the rush to get claims through. The second was to allow a member of the forces time to consider his case.

The first problem he was concerned with was rehabilitation. He may have had a minor injury which did not worry him at the moment. He wanted to get re-established and he did not worry about his pension claim. So he had time then to sit back, and there was also time for latent conditions to become manifest. May I say that the procedure for World War II has worked out remarkably well.

There was one other consideration, and I mention it in order to answer Mr. Herridge's question very fully. As we know, in World War I, discharges were carried out in a great many cases on a short board. Many men who had disabilities took their discharge and never made application for pensions. I stated earlier today that we are receiving applications every day from World War I veterans for pension consideration. The procedure we followed

was different for World War II. The commission reviewed the proceedings of each discharge board. If a man had a disability we dealt with that as a claim.

If the particulars on the discharge medical board were insufficient, we arranged for examination through one of our district examiners. Having received that examination and a definite diagnosis we then ruled. In that way, every claim where disability was demonstrable was dealt with, or the great proportion.

I think it is very important to state that in every decision rendered we gave fully our reasons leading to the decision. This is very fair because a man has a right to know the basis on which we reject or grant his claim. That takes care of World Wars I and II.

In regard to members of the special forces who served in the theatre of operations in Korea, the procedure in effect is the same as for World Wars I and II. In other words, he may claim for disability incurred in service or aggravated during his service.

Now, in regard to peace time services—and I am sure you gentlemen have received claims and objections because I so find from correspondence received from you the basis of entitlement is different—Section 13 (2) of the Pension Act provides that in order that entitlement may be conceded by the commission for disability incurred during peace time service or for death, it is necessary to establish that the disability or death arose out of, or was directly connected with such peace time service. In other words, that the disability or death which was incurred during peace time service resulted from the performance of navy, army or air force duty. That basis of entitlement is very much different from what is known as the “insurance principle”, the very broad coverage which applies to all those who served in World War I and in World War II and in the theatre of operations in Korea.

Mr. BROOME: In regard to World War II veterans, you said they could have as many hearings as they wanted. When they do go before an appeal board, is that just as final as previously?

Mr. MELVILLE: Exactly the same.

Mr. BROOME: And the same qualifications would apply for the appeal board, that is to say that they could not sit in on the cases before?

Mr. MELVILLE: Yes.

Mr. BROOME: I am not too clear on this. When you have second hearings, would the whole pension board sit in and assess on second hearings and concur in the decision brought down by the two commissioners who had reviewed the case?

Mr. MELVILLE: No, it is a decision of the commission and the Pension Act provides that a decision of the commission shall be that of two commissioners.

Mr. BROOME: In other words, the whole commission does not sit in?

Mr. MELVILLE: No. There are times when we do sit in as a body; maybe six of our commissioners are absent on appeal boards. We have meetings every afternoon without exception. A difficult case which has been presented to my colleagues may be brought in for a general discussion, but that would be an unusual case.

Mr. BROOME: You say that the appeal board is usually separate and distinct from the people who first sit on the case. Is there any chance of the appeal board in a certain sense having had their minds made up to a certain extent before the appeal comes to them because they are part of the commission which ruled initially?

Mr. MELVILLE: It is an exceptional case that would be discussed at an afternoon meeting. It would probably have some unusual feature—for example, peace time service, or some particular phase of peace time service. However, normally that does not happen. It has to be a most unusual case.

Mr. BROOME: I would like to follow that up. Is it true, in assessing evidence, if a doctor in the employ of the board says one thing and a doctor not in the employ of the board says the opposite, usually or invariably the commission will go by their own medical advice?

Mr. MELVILLE: No, definitely not, very definitely not.

Mr. BROOME: I have read certain cases—maybe I picked the wrong ones—in which there was direct contradictory evidence.

Mr. MELVILLE: I can give the reason leading to that, where you would find contradictory evidence. The medical officer concerned has based his decision on the history given by the applicant, whereas the opinion rendered by the medical advisers to the commission is based on actual documentary records.

Mr. BROOME: But those records are available to the man outside.

Mr. MELVILLE: He can have access to them if he has the authority. With the proper authority that of the applicant he can have access to them.

Mr. MCINTOSH: Has that question been answered?

The CHAIRMAN: Yes. Are there any more questions on this particular point?

Mr. MCINTOSH: I have a question along the same line, but that is not the question. In some of these records I have seen the names are similar, and there is evidence of admissions to the hospital which never did take place in that man's history, although it is recorded there. It has been related to some other person that served, possibly with the same name. Do you run into many cases of that kind?

Mr. MELVILLE: Very few. I am very glad to have the opportunity to state that my colleagues and I are amazed at the completeness and accuracy of the records that are collected and are maintained through the director of war service records. There are a few mistakes, and when found, a re-examination is made of the records. We check it because it is very important.

Mr. MCINTOSH: In my own case, 50 per cent of the evidence on my documents did not apply to me at all.

Mr. MELVILLE: It is possible.

Mr. MCINTOSH: 50 per cent is a large percentage. I can understand one item, but not so many different ones.

Mr. MELVILLE: I can assure you that these cases of mistakes in documentation are few and far between. They are immediately rectified by the commission and the director of war service records, who is glad to make the correction and transfer the record to the proper member of the forces.

Mr. MCINTOSH: In regard to pensions or allowances to dependents of service personnel that were killed in a theatre of war, in some cases, one in particular I know of, the pension has been stopped. What would be the reasons for that?

Mr. MELVILLE: Is this a disability pension?

Mr. MCINTOSH: No, it is an allowance, I guess, to the parents of the lad who was killed.

Mr. MELVILLE: I take it you are referring to a member of the forces who died on service or whose death resulted from his service and as a consequence of which the commission has made an award on behalf of a parent or parents?

Mr. MCINTOSH: Yes.

Mr. MELVILLE: The act provides that such an award should be paid, provided the parents are in a dependent condition. In order to determine as to whether or not they are in such a condition, it is necessary that the commission be advised as to the amount of income they have. The maximum amount the act authorizes for one parent is \$90 monthly, and if there are two parents the maximum is \$115. The commission has set an income ceiling of \$110 in the case of one parent, and whether the parent is a widowed mother the ceiling is \$120, because she is in a preferred position. Where there are two parents the maximum we can pay is \$115, and the ceiling is \$145. In the case you mentioned it may be that one or both parents are now in receipt of old age security, and with their income from other sources their combined income is in excess of the allowable ceiling. If that is so, the commission must cancel the award.

Mr. MCINTOSH: Would they not be notified as to the reason why it was cancelled?

Mr. MELVILLE: Oh yes, very definitely. I would like to have the case and I will check it up for you.

Mr. MCINTOSH: I have the case.

Mr. MELVILLE: I would be glad if you would let me have it.

Mr. BEECH: I wonder if you could tell us the number of applicants who are accepted on the first application?

Mr. MELVILLE: I was unable to hear your question.

Mr. BEECH: What percentage of applicants are approved for a pension by the commission on the initial application?

Mr. MELVILLE: I can give you the figures. You would like to know how many were received and how many were granted?

Mr. BEECH: Yes.

Mr. MELVILLE: I can give you the figures.

Mr. BROOME: Could you add to that the number in regard to appeals?

Mr. MELVILLE: Yes.

Mr. BROOME: I would like to know the number of appeals and the number of appeals granted. Could I have the percentage?

Mr. MELVILLE: Would you like it during the last fiscal year?

—Mr. Dinsdale assumed the chair.

Mr. BEECH: I am just trying to get an idea.

Mr. MELVILLE: Before giving the figures, I wonder if you realize this. The commission is now called upon to consider many claims for the death of World War I veterans. The average age is 69. For many years the drop in the number of pensioners for World War I was fairly slight. Now it has taken a very decided dip, as has to be expected, and we are called upon to rule with respect to these. Many of them have never been in receipt of an award of pension, but for various purposes, such as returned soldiers insurance, the erection of a headstone and other things, the commission is called to render a decision with respect to death.

Mr. BEECH: It seems to be an impression abroad that the applicant is turned down on the first hearing on general principles. I am just wondering if that is true.

Mr. MELVILLE: Definitely not. For the fiscal year 1957-58 the total number of applications received by the commission for first hearings was 11,684. Of that total 2,635 were granted and 9,049 were not granted. Now we come to the second stage and I think, Mr. Broome, that will deal with your question. If I take second hearings and renewals and then go to appeals, you will have the initial, the second stage and the final. Second hearings and renewals. The total

received was 4,126. Of the 4,126, there were 1,168 granted; and 2,958 not granted. When we come to the final stage, which is the appeal board, 1,471 of these applicants signified their intention and went before an appeal board of the commission. Of these, 625 claims were granted by the appeal board and 846 were rejected. During the last fiscal year a grand total of 17,281 claims were considered; 4,428 were granted and 12,853 were not granted.

The CHAIRMAN: Mr. Robinson had a question.

Mr. ROBINSON: Mr. Broome asked the question I had in mind.

Mr. WEICHEL: I have a letter on my desk here regarding appeals and I thought perhaps it might be interesting to the gentlemen to look it over. It came from Mr. Mutch.

Mr. MELVILLE: It is a reply from my deputy chairman?

Mr. WEICHEL: Yes. I thought the gentlemen would like to see it. It is in regard to an appeal from one of the veterans of Waterloo.

Mr. MELVILLE: This letter which Mr. Weichel received from the deputy chairman is of interest because it raised one point which I might have covered in the reply to Mr. Herridge's question. The Committee does not deal with an individual case, so I will deal with the general case here. The appeal board ruled that this man's claim for hypertensive and arteriosclerotic heart disease with multiple myocardial infarctions was not attributable to active force service; pre-enlistment condition, aggravated during regular peace time service subsequent to World War II, but the aggravation is not pensionable as it did not arise out of, nor was it directly connected with military service. You may have found that a little confusing. The situation is that it was not incurred or attributable to his service in World War II, but after World War II he served in the peace time forces of Canada. The appeal board before whom he appeared found that while the condition was aggravated during that service, it is not pensionable because the aggravation did not result from the performance of army duty in peace time. In other words, it was the normal progression of arteriosclerotic heart disease, which is hardening of the arteries. They tell me this begins at birth and carries on throughout the whole of your life span.

Now, one interesting point again—as the deputy chairman pointed out—is that the decision rendered by the appeal board is final.

Section 65, sub-section 4 of the Pension Act provides for application for leave to reopen and it says that it must be based on evidence not having been adduced—new evidence—or an error in the decision of the appeal board, that is, something that comes up after the appeal board has rendered its decision and which may establish the fact that there was error.

When an application for leave to reopen is received by the commission, an appeal board is named consisting of three members again. They do not review the claim because the decision of the Appeal Board before them is final. All they do is to examine this new evidence and if they find that there was error in the decision of the original appeal board, they grant the application.

If the application is granted by the appeal board, everything that happened in the past is washed out.

The man starts again. If it is a World War I application it goes to first and second hearings, and if he does not make it, he goes to appeal.

If it is a World War II application, he goes to "initial", which is a new claim altogether and may eventually go to appeal.

Mr. WEICHEL: You mentioned that he may contact "Scotty" Forbes, his Canadian Legion branch, or the district pension advocate?

Mr. MELVILLE: "Scotty" Forbes in London is a very very well known veteran, and he does a tremendous amount of work for the legion in that area as a service officer. He is very highly regarded by the commission, and I think that at nearly every appeal board which meets in that area he is present.

Mr. SPEAKMAN: Mr. Melville has said that in the study of the medical evidence, the pension commission medical people have access to the records.

The applicant may have a doctor acting for him who is presenting his case or helping to present it. But that doctor does not have access to those records. However he does have access to the "presentation" of the man who is claiming.

The civil doctor is actually where you start your claim. He has before him the condition, whatever it might be, or how it may have been aggravated by service. I would like to reconcile those two; in other words, your pension commission medical men are studying things that happened in the past, whereas your doctor at the moment is studying the actual condition of the applicant.

Mr. MELVILLE: That is very, very true, Mr. Speakman. But we have access to all the records.

That applicant may, and most likely has, received treatment in a local hospital. We have the certificates from his doctor, and all these are before the commission.

As I stated in a previous answer to a question, very often the opinion of the doctor was based upon the history given to him by his patient, whereas the documents before the commission did not substantiate that the man had that condition on service. There was nothing in the way of treatment during his service; there was nothing on the proceedings of his discharge medical board; there was nothing in the immediate post discharge period.

Let us say that the condition was diagnosed anywhere from 1955 or 1957, and to establish it in connection with his world war II service constitutes the difficulty which presents itself to the commission.

Mr. SPEAKMAN: This man comes up with a condition.

Mr. MELVILLE: Yes.

Mr. SPEAKMAN: And he goes to his doctor and he says: "I have this. I have had service. I do not know if it was connected with my service, but if it was, I think I should be entitled at least to treatment."

Some of the veterans' diseases today are rather expensive with regard to medication. The doctor might say that it could easily be connected with his service. And while he did not have it during his past service, it might well result from conditions during that service.

Mr. MELVILLE: Let us say we receive the claim today, July 7, 1958. The second war finished in 1946 and World War I in 1918. Before rendering our first decision, be it on the first hearing or be it "initial", the act says that we shall pursue all inquiries. Therefore we do make inquiries through our pension medical examiners in the man's area.

We say: "Can you find out if there are any records in the hospital there, and if so how far back do they go?" And we ask the medical examiner to have our pension visitor call on him and see if he has anything to submit in support of his claim.

The records of his doctor might go back. In other words, we endeavour to secure all the information.

May I make it very clear that all my colleagues and practically all the medical staff of the commission are former members of the forces and we have one desire and one desire only, namely, to make available to former members of the forces and their dependants the maximum benefits permissible by the Pension Act.

Our job is to award pensions and not to deny them. That principle I can say with absolute truth is one which is followed by my colleagues. We try to help them.

Mr. SPEAKMAN: I quite agree with you. It is just that you made that statement and I wanted to reconcile it in my mind.

Mr. BROOME: I have a supplementary question.

Mr. MELVILLE: Before you ask your question, Mr. Broome, the deputy minister advises me that there may be an impression whether outside persons who are interested in helping the veteran advance his claim should have access to the documents.

The district pensions advocate may have and does obtain copies of all the service documentation for completion of the district office file. And that file is available to any authorized person. He must have the authority of the applicant in order to examine his documents. That is a precaution which I am sure you all appreciate.

Mr. BROOME: I was looking over a case where a man died of a heart attack about a year or so after his discharge. He was 33 years old.

His doctor claimed that his medical record in the army, and the disease he suffered from during his term in the army, did have a contributory effect upon causing this heart failure. However, the departmental medical advisers said that it did not.

Now, I am informed that it is just a case of one doctor against the other, and therefore it is quite right that you would take your medical man's advice on it.

But should some new evidence be put in, let us say, from a specialist in heart disease, and should three or four of them come up and say that there was a contributory factor, that I understand would constitute new evidence which would entitle the commission to look at it again.

Mr. MELVILLE: Even before that stage, in some of these difficult medical cases—I mean in a number, where there is opposite medical opinion, we refer it to the director general of treatment services of the department, and state that as far as the medical records go, this is our conclusion. We say: "Would you select in a heart case your best specialist in that field of medicine and would you refer the file with all the opinions to him."

Now, he is entirely removed from the commission. As a rule these doctors are outstanding in the field of medicine, and in their own communities they are on the part time staff of the department. He then makes his independent study and that opinion is received by the commission. We do that in a number of cases, and we receive the utmost cooperation from the treatment services.

Mr. BROOME: May I work through the regional offices of the Department of Veterans Affairs in doing something like that?

Mr. MELVILLE: Whether or not they are in a position to do it I cannot say, but the application could be made.

Mr. BROOME: In the assessment of medical evidence, the pension commissioners are pretty well bound to take the advice of their doctors?

Mr. MELVILLE: I said at the beginning that the commission consisted of fifteen members, and of those fifteen members at the moment five are doctors.

We did have four lawyers but one has died. So now there are three lawyers. They are very necessary on the commission because we are administering a statute, therefore, law plays a very important part. We are dealing with claims for disability and death. Therefore medicine must play a very important part and we have doctors on the commission. There are five of them at the present time.

And then, for the record, I would say that it was the decision of parliament that the governor in council make the appointments to the Commission.

In order that law may not be the predominant factor, and in order that medicine may not be the predominant factor, you have a proportion of laymen. It is the responsibility of each to know all the provisions of the Pension Act.

So you have law, you have medicine, and you have laymen, and in general it works out as a very, very happy mixture. My desire always has been that an appeal board of the commission shall, where possible, consist of one legal member, one medical member, and one lay member. That is not always possible to accomplish, but that in general is the set-up of an appeal board of the commission.

Mr. MACDONALD (*Kings*): I would like to ask Mr. Melville a double-barrelled question. Would he explain to us first the statute of limitations of 1936? We find that quite a number of our first war veterans are confused about it.

My second question is with regard to pre-enlistment origins. You mentioned that in the decisions which are made there are some reasons given for refusal. In my experience reasons have been very very briefly given, and with very little explanation.

I have also found, on a number of occasions, that there seems to be no justification for the grounds for refusal of pre-enlistment origin. For example, there is nothing in the man's medical record while in the service. Yet the man will swear emphatically that he did not have a certain condition which the commission claims was pre-enlistment in origin.

Would Mr. Melville give us some information on that point?

Mr. MELVILLE: First of all you asked about the statute of limitations of 1936.

Parliament makes the laws. The commission administers them.

Through the years from 1918 to 1936 repetitive claims were received from all sources from World War I veterans—they were pension-conscious, and they kept up their claims.

Then parliament in its wisdom and as a result of many special committees on veterans affairs as well as a royal commission which had met some years earlier—that was the Ralston Commission—decided in 1936 that some limitations should be made in the statute, and that the procedure should be changed, allowing a man a reasonable opportunity for lodging a claim and for the advancement of his claim and for the hearing, by an appellate body.

Therefore in 1936 the Pension Act was amended and the procedure which I outlined in regard to first and second hearings and appeals came into effect.

The commission, as the body administering the Pension Act, had to give effect to the 1936 amendment.

You mentioned the statute of limitations. The act in section 15, I think it is, says that the commission may not entertain an application for pension for disability incurred during World War I service unless the application therefor was made before the 1st July, 1936. That is what the statute directs.

But I have said that the commission endeavours to assist the men. So if upon examination of his documents and discharge medical board, we find the disability for which he had never claimed until now but it was recorded there, we say that the application lay dormant from the date of his discharge until the date when his application was made even though it be 1958, and we therefore consider that application.

But with a World War I veteran today who was discharged with all systems normal, and there was nothing on his documentation whatsoever, the commission must say that having regard to section 15 of the Pension

Act, no pension shall be paid unless the application therefor was made prior to July 1st 1936 and that as he did not make application, we cannot consider his claim.

That only applies to those who did not have service in a theatre of actual war.

Mr. MACDONALD (*Kings*): Then the World War I veteran who had nothing on his record indicating there was some slight disability for which he was treated, has no chance today for an application for pension due to World War I service?

Mr. MELVILLE: If he served in a theatre of actual war, and is able to produce evidence showing some continuity between the date of his discharge from the service and the date of his application, we certainly will consider it and assist him.

Mr. WINKLER: I would like to ask Mr. Melville a question regarding the condition known as hardening of the arteries.

He has outlined the different points regarding the commission's attitude in being extremely liberal with their decisions. I wonder, in the case of a man who has a record of this nature—I am speaking of course of a specific case—of a veteran of both wars. In the case of the second war he went in in good condition and came out in a category.

Sometime following that he applied for a pension and received it. He carried on with his normal functions and his job until quite recently, when he had to stop work. Upon making application for full pension he was told that his condition related somewhat to the general condition of the period prior to enlistment.

But I believe that in these instances such men with such a condition age prematurely. And where a man has had to leave his normal duties and what he received as income, I am of the opinion that that man should be placed on full pension. However, in this particular instance the applicant was refused and I do not consider that the decision was quite just. Moreover, where the responsibility for this proof rests upon the applicant, I think it is rather unfair.

That is not the only case. I could cite other instances where it has happened to veterans of the second world war who are in good enough condition that they won't carry their cases back to the pension board, and who entered in grade (a) categories but came out somewhat the worse for wear.

Now they are making application and they are being given the same decision—that their conditions related to pre-enlistment causes. Where this knowledge is available to you I feel that these particular people have not had the best of treatment. They are now making an appeal to me. Whether it is because they know me personally or not, I do not know; but nevertheless I wonder what Mr. Melville would have to say under those circumstances?

Mr. MELVILLE: May I apologize for not answering the second part of your question Mr. Macdonald and come back to it after I have replied to Mr. Winkler's question?

Dealing with the first topic because you mention he was a veteran of World War I and that he saw service in World War II and was suffering from a heart condition for which, I take it, the commission had conceded entitlement on an aggravation basis, might I say that arteriosclerosis is part of the normal process of ageing and it affects each and every one of us.

In determining the condition, the commission examines all the documentation and takes into consideration his theatre of service, his length of service, his condition at the time of enlistment, his condition at the time of discharge, and his condition at the time application for pension is made.

Having considered all these factors and having reached a favourable conclusion in this arteriosclerosis case that the condition was pre-enlistment in origin, we study the degree of aggravation. The degree we allow is based upon the factors of the theatre of service, the length of service, and the condition at enlistment as compared to the condition at the time of discharge. The condition was certainly not wholly incurred during his World War II service.

Mr. WINKLER: No. I am willing to accept that. And in this particular case I mentioned the man was able to carry on with his normal duties until not too long ago. Then he was forced to stop work due to his condition.

I feel that this man has served well, in this instance, and I feel that this condition could be brought on primarily by his past service. While he had not complained at any time until the last time when he was forced to stop work, he was refused an increase in his pension.

Mr. MELVILLE: If the condition was brought on prematurely by his service, that is why we conceded aggravation. In other words, his heart condition worsened materially, or to some extent it was worsened, as a result of his service. Therefore we concede aggravation, designating it one-fifth, two-fifths, three-fifths, or four-fifths.

If we conceded two-fifths and he was of the opinion that we had not given him enough, he might come back to the commission with evidence asking for consideration of a higher degree of aggravation. He can do that at any time.

Mr. WINKLER: That is what he has done, and he has been refused.

Mr. MELVILLE: We refused him on records available to us.

Mr. Macdonald asked me to say a word about pre-enlistment conditions. He knows very well that he poses a very difficult subject when he asks me to speak about that. But there are any number of conditions which are undoubtedly pre-enlistment in origin. For example, there may be refractive errors, and so many other things. We have spoken about arteriosclerosis and the general process of ageing and so on. We must give some consideration to them.

But there is provision in the Pension Act whereby if that man saw service in a theatre of actual war, and the condition was not recorded at the time of his enlistment and was not obvious, he is pensionable to the entire extent. The decision of the commission in that case would be heart condition or some other condition aggravated during service in a theatre of actual war and pensionable for the entire because the condition was not obvious or recorded and service was in a theatre of actual war.

Our decision would be pre-enlistment in origin and aggravated during service in a theatre of actual war not obvious nor recorded. We have thousands of men whose conditions were definitely pre-enlistment in origin but who are pensioned to the entire extent of the condition because of the factors I mention.

The condition was not recorded. He was examined upon enlistment and no mention was made of it. It was a condition which would not be obvious to any layman. In your case a cardiograph would not be carried out at the time. But because it was neither obvious nor recorded, he has a pension for the entire.

At previous special committees on veterans affairs, in order to remove any doubt as to what constituted "recorded" at the time of enlistment, a definition was advanced which is now incorporated in the Pension Act in section 2 "u", the interpretation section. You will find it very clearly and definitely laid down, and the commission must abide by it.

Mr. MACDONALD (*Kings*): Even when there is nothing on the man's record and when there is no admission by him that he had a certain disability previous to enlistment, nevertheless it fairly often—or at least sometimes comes through as a reason.

Mr. MELVILLE: I have examined the proceedings of four enlistment boards where there were men who had lost an eye before their enlistment—and there is on record the case of a man who had lost a leg prior to his enlistment—but it was not mentioned on the record at the time of his enlistment and it did not appear in the records until months later.

Mr. MACDONALD (*Kings*): I refer to cases that are internal. Those are obvious things of course.

Mr. MELVILLE: There are certain systemic conditions where questions of doubt arise even amongst the most advanced medical knowledge as to whether or not they are pre-enlistment in origin.

Mr. MACDONALD (*Kings*): That would be a matter of medical opinion.

Mr. MELVILLE: That is right and in such cases we go to the treatment services of the department. You can get no better medical opinion in Canada than you get through that departmental service.

Mr. ORMISTON: According to the figures which Mr. Melville has given us it would appear that many veterans who apply for pensions and are not granted them in the first instance nevertheless are given pensions after subsequent hearings.

Would you attribute this to closer scrutiny of the man's papers, to aggravation of the condition, or to a different interpretation by some other member of the commission?

Mr. MELVILLE: Not necessarily so. I just returned at midnight on Thursday from a visit to Calgary, Vancouver and Regina.

When I was at Regina I discussed some of the very points which you have raised. Very often when a claim comes before an appeal board, members of the board are impressed, first of all, by the credibility of the applicant and his witnesses.

When you have a man before you with a good record of service, and he tells his story in a straightforward manner and gives you the basis of his claim, and if he has an advocate to assist him in his presentation, and what is most important, if he has additional evidence which had not previously reached the commission—the three members of the appeal board accept that evidence, and in some instances there is no need to proceed further with the claim.

In such cases the evidence before the board satisfies them as to the merit, and the claim will be granted right there and then. The preparation and presentation of evidence is a very important factor.

Mr. ORMISTON: Do you believe that the preparation of evidence is sometimes a bit scanty in the first instance?

Mr. MELVILLE: Our first hearing decision and our initial decision are often based on a claim and nothing more. The man will say "I want a pension for a condition."

As I have said, we get his medical documentation and examine it, and where we can find nothing on his service records to establish the relationship, we so advise him of the reasons leading to our decision.

He may then say "Well, I was in so and so hospital where I was treated, and then I was transferred some place else, and I was probably treated by my regimental medical officer, and I can get evidence." And so he gets it. The very fact that the commission has rendered its decision and has given the reasons leading thereto assists the man in going ahead with his claim. It may

be, as some of the members have stated the reasons are not clear,—maybe in the eyes of the applicant they are not—but we are always ready for him to renew his claim, and we will study it all once again.

Mr. ROBINSON: The answer the chairman has given pretty nearly answers what I had in mind. The figures given a short while ago indicated that out of the first applications 2,600 were granted out of 11,000. In the case of second applications, there were 4,100 odd applied and there were 1,168 granted out of that. From that, there were 1,471 went to appeal board and there were 625 granted through the appeal board, so the question is fairly well answered. Is there any cause for such a large percentage getting a pension that did not get it at the first hearing, or is there something we are slipping up on such as the presentations not being properly made. Where would the bulk of that be? There were 1,793 that were not granted on the first application and 2,635 which were granted, so it is a large percentage I would think in that short period from 1957 to 1958. I was just wondering if we were slipping up on anything. What is the cause?

Mr. MELVILLE: It is quite a high percentage and I can assure you the commission takes no exception to it. We are glad to see him win his claim. As I said, a great deal depends on the credibility of the witness, and the witnesses who appear before the appeal board very often produce additional testimony. For example, we could take a doctor who comes as a witness. He has given a statement before but he comes this time and brings his day book. As a result of this he can give evidence and say "I treated this man for so and so in 1946 and in 1948", and so on. There is a great deal of new evidence which is obtained by the advocate, or through the veterans bureau or the legion, or someone else who may be collecting the evidence. They may have seen the man and are pursuing his claim actively and getting all the information, knowing that the decision of the appeal board is final.

Mr. ROBINSON: You say the principal cause of that percentage is just in regard to the presentation of the claim not being properly put up the first time?

Mr. MELVILLE: I would not say it is not properly put up; they probably presented a much better picture, and section 70 says the benefit of all reasonable doubt shall be given to the applicant. That applies at every stage of the proceedings. The members of the appeal board are there and meet him in person. They hear all these witnesses and are impressed. They say, "a doubt has been created. Section 70 of the Pension Act says that doubt shall be resolved in favour of the applicant. We resolve it."

Mr. LOCKYER: Mr. Chairman, my complaints seem to be based on the fact that when veterans make application there is a number of months before he even hears from the board. Can anything be done about that?

Mr. MELVILLE: I take it your question—

Mr. LOCKYER: As a matter of fact, after that I wrote the department asking for the reasons, but I have not had a reply.

Mr. MELVILLE: Is it a case going to appeal, Mr. Lockyer?

Mr. LOCKYER: Oh yes, it may be an appeal or it may be a request for a pension.

Mr. MELVILLE: If it is a first application for pension, we endeavour to deal with it as expeditiously as possible. Every Monday morning the first report that is on my desk shows the number of files with my medical advisers at head office. If I do not think the number is very satisfactory, I get cracking on that, I assure you. In so far as claims coming from the medical advisers are concerned, my colleagues never leave the board room until the entire board room is cleared. Every day the board room is cleared before they leave. That

has been laid down and has been in effect for years and years. At the top we set the level for all the rest of the staff. There are about 280 to 300 claims of various kinds for entitlement, assessment of the degree of disability and the rate of pension to be paid, or the awards to dependent parents which are dealt with each day.

Mr. LOCKYER: What time should elapse before a veteran can expect to hear a decision from the board?

Mr. MELVILLE: It should be a matter of a few weeks for his initial decision or a renewal decision. With regard to an appeal board, it may be that before his case was certified as ready for hearing by an appeal board and reached the chief pensions advocate and from him to the commission, the appeal board had just held sittings in that centre. In that case he must wait and that sometimes, I will admit, brings about delays. He must wait until the next hearing is held. As of the 30th of June we have practically cleared the slate.

Mr. LOCKYER: I have some people who have claimed that they have waited several months.

Mr. MELVILLE: I would be glad to have them. I will examine each one and report to you personally on each claim. Let me have the name and the regimental particulars and I will do that personally.

Mr. MCINTOSH: I have several questions; Shall I ask them all at once?

The CHAIRMAN: You may proceed, Mr. McIntosh.

Mr. MCINTOSH: My first question is a double-barrelled one and a supplementary to Mr. Macdonald's question. In regard to this pre-enlistment origin, Mr. Melville said without a shadow of a doubt it was pre-enlistment origin except in these extreme cases of an artificial leg and eye. How can you be sure without a shadow of a doubt, in view of the fact they were medical cases when they were tested?

Mr. MELVILLE: One example I can think about might be a kidney involving a surgical operation. The doctors find that his condition has been one that has been in existence from birth. It is not an opinion reached by the commission. It is a decision reached in the light of medical opinion. That would never be found on enlistment examination. We are all blessed with duplicate organs and if one fails the other carries on and takes care of the needs. However, something happens and surgery is indicated and carried out. The condition becomes apparent. There is no examination on enlistment that would have detected that condition. All you gentlemen are members of the forces and you are all aware of the examination which took place at the time you enlisted for service. I do not say that type of case applies to all.

Mr. MCINTOSH: Our problem is that these applicants come to us and say that you say without a shadow of a doubt it was pre-enlistment origin. You will take the word of your doctors on the board for that. But when a civilian doctor says the same thing to the applicant "without a shadow of a doubt your complaint was due to service in the armed forces", you will not take the civilian doctor's word for it?

Mr. MELVILLE: I would not say we do not take the civilian doctor's word.

Mr. MCINTOSH: You very seldom do.

Mr. MELVILLE: I could not even accept that, because I am in the board room every day and see countless numbers of applications and medical certificates from private practitioners.

Mr. MCINTOSH: But it does happen?

Mr. MELVILLE: Yes, it may.

Mr. McINTOSH: Further to that question, you said more consideration is given to those who actually served in the theatre of war. If they were hospitalized and discharged n.a.d., no apparent disability, prior to proceeding to a theatre of war, is that case given the same consideration as a case that actually happened in the theatre of war?

Mr. MELVILLE: Yes, as long as the applicant has served in a theatre of actual war.

Mr. McINTOSH: It does not matter when the disability was incurred?

Mr. MELVILLE: It does not matter at what stage in his service the disability was incurred, provided it was not recorded at the time of his enlistment or was obvious at that time.

Mr. McINTOSH: My other two questions have to do with the estimates on which we have not dealt. I would like to ask the questions because we may have to get the information for our next meeting. In regard to the 1958-59 estimates compared with the 1957-58 estimates, we had the same question brought up in the national defence committee. To my mind you cannot compare estimates with estimates. It does not give you anything. I would like to compare the estimates with the expenditures. Have you any idea how much of the 1957-58 estimates were actually spent?

Mr. MELVILLE: Yes.

Mr. McINTOSH: Could we have those items for our next meeting?

Mr. MELVILLE: Yes. You can have them now if you like.

Mr. McINTOSH: I think each one of the members of the committee would like a copy of it, the appropriation for the year and the actual expenditures for 1957-58.

Mr. MELVILLE: Yes, that is available right now.

Mr. F. T. MACE (*Assistant Deputy Minister, Department of Veterans Affairs*): That is the administrative vote and the pension vote?

Mr. McINTOSH: Yes. If you had them in mimeographed form, we could all have a copy.

Mr. MACE: I can have some run off.

Mr. McINTOSH: Could we have that?

Mr. MACE: Yes.

Mr. MELVILLE: I would be glad to have that information supplied to you and you could distribute it to each member of the committee in advance of the next meeting. The proceedings may not be printed before the next meeting.

The CHAIRMAN: No, they will not be printed before Thursday.

Mr. McINTOSH: In regard to this summary of estimates, I notice you have reduced your personnel, decreased your salaries and charges but increased your civilian allowance by \$10,000. Could I have the answer to that at our next meeting?

Mr. MELVILLE: Yes, I will be glad to get that.

Mr. McINTOSH: It is for the whole Department of Veterans Affairs. I would like to ask the deputy minister to have that.

Mr. MELVILLE: That is a pretty wide field.

The CHAIRMAN: Did you not get that question?

Mr. P. E. REYNOLDS (*Chief Pensions Advocate, Department of Veterans Affairs*): No.

Mr. McINTOSH: In your summary here, and I am talking about the civilian personnel, you have decreased the salaries but you have increased the civilian allowances by \$10,000.

Mr. HERRIDGE: We can discuss that when we return to administration.

Mr. BROOME: That is not part of this, Mr. Chairman.

Mr. McINTOSH: I would like to have it, Mr. Chairman.

The CHAIRMAN: We will let the question stand and we can have the answer brought down at a further sitting. Are there any other questions?

Mr. McINTOSH: No.

Mr. WEBSTER: After this morning's session I would like to put my bid in too, Mr. Melville. Four years after I was discharged with no application on my part whatsoever, I was called down to the Department of Veterans Affairs in Montreal and interviewed by the advocate. Six weeks later I got a pension. I would like to thank him.

Mr. MELVILLE: If I may interject here, a member of the forces discharged in Saskatchewan had a disability; we called him in and had him examined and awarded a pension. We got a blast because he never applied for that pension and did not want one. He had a disability and got what he was entitled to.

The CHAIRMAN: I understand there is a carryover question from a previous meeting. I think Mr. Broome asked this question and it was to do with the appeal boards within the commission.

Mr. BROOME: Yes. I would like to amplify it somewhat. It seems to me there must have been some reason for making the appeal board part of the commission, as it would seem to be more logical to have a separate appeal board because you could have a feeling that the people who turned you down in the first place are the people who turned you down the second time. You have explained most of it.

Mr. MELVILLE: I have the information. Parliament in its wisdom provided that.

Mr. BROOME: Parliament is not always very wise.

Mr. MELVILLE: We go back to 1916 when by order in council the board of pension commissioners was formed. It consisted of a chairman and two members. It is of interest to note the order specifically provided there should be no appeals from decisions of the commission, but dissatisfied applicants could present their cases either personally or by counsel before the full commission sitting for the purpose of hearing the complaints of those who may have been dissatisfied with decisions given in the ordinary course of administration. So that is the onset of the whole thing.

In 1919 the Pension Act was enacted and that made provision for a statutory body to be known as the board of pension commissioners. It was to consist of a chairman and two members. In that, provision was made for two or more commissioners to sit for the purpose of hearing the appeals of dissatisfied applicants or pensioners. This provision was repealed when the federal appeal board was created in 1923. Under recommendation of a special parliamentary committee in 1922 it authorized the appointment of a medical board of appeal to consist of three medical men, with headquarters at Ottawa, to function as an independent body for the purpose of hearing limited appeals. It operated for a brief period and ceased to function in 1923 when the federal appeal board was created and consisted of a chairman and not less than four or more than six members. It carried on until 1930 when the federal appeal board was abolished and a pension tribunal was created. The tribunal consisted of a chairman and eight members. In addition, the supreme final appellate body was formed with the pension appeal court under Mr. Justice Hyndman. It consisted of a chairman and two members. In 1931 the tribunal was increased to twelve members with a minimum of nine, one of whom was to be chairman.

We come along then to 1933 when the board of pension commissioners was abolished, the pension tribunal was abolished and the Canadian pension commission was created. When it was created, the statute provided for a chairman and not less than seven members or more than eleven. Provision was also made for the hearing of dissatisfied applicants by quorums of the commission holding public hearings. The pension appeal court continued as the final court of appeal.

In 1936 provision was made for the appointment of ad hoc commissioners if and as required, not to exceed five. As I mentioned earlier, that is when the new procedure was brought into effect, the first hearing, second hearing and appeal. The quorums were continued at that time and the pension appeal court continued as a final court of appeal until 1939 and in that year the quorums were abolished. The pension appeal court was abolished and this power of final decision was transferred to appeal boards of the commission to consist of three members of the commission holding sittings at convenient places throughout Canada. May I say it does appear, having had some very close associations over many years, and not speaking in my own capacity as chairman of the commission, that the present situation with regard to preparation and hearing of appeals has met with very, very general acceptance by veterans and their organizations.

Mr. WINKLER: Mr. Chairman, I am thinking of this question of people who are coming into the category of medical entitlement. In this regard, I would like to ask Mr. Melville if the commission, on the aggravation of the condition for which the veteran concerned has entitlement, when he makes application for pension, if he is called for examination by the commission or is it the policy that the commission would first of all have this veteran examined by his own physician and examine that report before calling that veteran in for examination? If so, is the veteran concerned expected to pay his own examination fee by his own personal physician, or does the department make it quite clear to that veteran that he does it at their expense?

Mr. MELVILLE: If the veteran makes application for pension which he normally would do through the district office, it would come to the commission and if we find on examination of his documents that there is every possibility that his claim has relationship to something recorded on his documents, then the commission will call him in for examination. If necessary, the commission will arrange for his admission to hospital under what is known as section 27 of treatment regulations. If he is referred to one of our departmental hospitals for investigation and diagnosis as a section 27 case, then during that period he is in hospital, which is usually anywhere from one or two days up to ten or fourteen days at the most, he is in receipt of treatment allowance because he is ordered in by the commission for that purpose. Now that is done when we have every reason to believe that his claim is a fair claim and we want to establish definite diagnosis, because probably he is complaining of a condition but we have no diagnosis. We have no medical label and unless we have a definite diagnosis we cannot rule. So we have him admitted to hospital for investigation and diagnosis.

When a man claims for a condition and says, "I have a pain", or a stomach ache or whatever it may be, and there is nothing on his documentation to support that claim, he is asked to submit a certificate from his own medical officer who has been treating him. If, as a result of that certificate, the commission concedes entitlement for the condition, he is reimbursed for the expense of that medical certificate. If he is not successful then there is no payment made because you have any number of claims for conditions which have no relation whatsoever to service and for which payment cannot be expected.

Mr. WINKLER: I consider your explanation of that very fair, but in practice I find it somewhat different. I find in many instances in the small territory that I represent, that they have not granted the privilege to appear even in cases where they have prior to this particular instance been pensioners. I think it might be wise if you would agree to go into the matter and have some of the district offices informed of the attitude you have mentioned because I consider your explanation as being good. However, I do not find that is practised by all the officers.

Mr. MELVILLE: I am in touch with all my officers and have discussed that situation with them on many occasions. There may be an occasion when it is not observed, but the instructions are very, very clear and I would be very happy to write and draw it to their attention again.

Mr. WINKLER: Thank you.

Mr. MELVILLE: You mentioned a pensioner; he may have entitlement for one condition and wishes to claim for another one. Unless there is some relationship there we cannot do much about it.

Mr. WINKLER: No, the case in point was in direct relationship to the pensionable disability in the first instance.

Mr. HERRIDGE: Would Mr. Melville inform the committee of the policy of the commission with respect to how decisions are made, as to the points at which appeal board hearings are held having regard to the convenience of the veteran, improving the general understanding of the veterans and the work of the commission; also the general understanding of the public with respect to what I consider a very important administrative body?

Mr. MELVILLE: That is a good question. What does happen is that every few weeks the official responsible presents to the deputy chairman a list showing all the claims which are listed as ready for hearing. Not only does the list contain that information, it also contains the names of the commissioners who are eligible, those who have never adjudicated upon that claim before, so we can watch what we are doing in setting up the appeal board. It is impossible to hold hearings in every centre of Canada. The appeal board consists of three commissioners and a court reporter and we are endeavouring to arrange a docket. Let us take British Columbia—and it will probably interest you a great deal—we will have the main hearings in Vancouver and Victoria and we will have hearings in the interior at Nelson, Penticton and Trail. However, we must have sufficient hearings to warrant sending in an appeal board. If there are not sufficient claims to warrant sending in an appeal board, then the man is called into the nearest centre. I find as a rule he is happy to come in to one of these centres and have his expenses paid. He is called in and reimbursed, as are his witnesses who may be called in. We have hearings in Halifax, St. John's Newfoundland, Saint John New Brunswick, Quebec City, Montreal, Ottawa, Kingston, Toronto, London, Hamilton, Guelph, Windsor, and so on.

Mr. HERRIDGE: Are the hearings held at certain stated periods or according to the volume of business requiring attention?

Mr. MELVILLE: Definitely according to the volume of business. Our job is to liquidate and reduce the interval between the time claims are listed as ready and actually heard.

Mr. BEECH: Mr. Chairman, I am concerned about the high number of rejections in the first hearing. The second hearing seems to be about half the number. I am wondering if it would not be better for the commission in regard to the first application to advise them to see one of the pension advocates in order that they may fix their applications in the proper way. It would eliminate a lot of the secondary applications. The difference in these two figures would indicate there are a lot of people who have been browned off, and once the

pension commission turn them down they do not bother coming back again. I wonder if it would help if we had that evidence submitted by a pension advocate?

Mr. MELVILLE: I suppose that the average veteran does not know the facilities that exist throughout Canada to assist him in the preparation and advancing of a claim to pension. The department has excellent facilities in the veterans bureau. These services are available without any charge whatsoever to the veteran, and a good many of those who come in initially to the commission at one of the district offices are told that the best thing they can do now is to go and see their district pensions advocate. Our man will say: "What you are putting before me is very sketchy. So you go and see him and he will tell you what he thinks is necessary to assist you to get your claim ahead." That is carried out to a very very great extent because there is a great deal of cooperation and understanding between the veterans bureau and the commission.

We are not at a difference or opposed by any means. We have only one purpose, and that is to serve the veteran.

Mr. MACDONALD (*Kings*): I would like to ask Mr. Melville a number of questions about the composition of the board. I do not think there is anything in the act to determine how many doctors or lawyers there should be.

Mr. MELVILLE: No, none.

Mr. MACDONALD (*Kings*): It seems to me that the board is top heavy with lawyers and does not have enough medical men—with all due respect to my friends in the legal profession. Can you tell us who makes the decision as to the composition of the personnel, and the reasons?

Mr. MELVILLE: Mr. Macdonald picked the wrong time for his observation, because we have five doctors and three lawyers at the present time.

I endeavour to see that an appeal board consists if possible of a doctor, a lawyer, and a layman. That makes a very happy group to deal with the claims.

Then with regard to the appointments, they are made by the Prime Minister, while the composition of the board is determined by the deputy chairman and by myself, that is, by the two of us alone because we have control of the very point brought up before, namely eligibility to sit.

As to which commissioners are eligible—that involves practice within the commission in dealing with claims. For example there are only certain commissioners who sit in the province of Quebec, and so on.

Mr. MACDONALD (*Kings*): Does the same apply to the appeal boards?

Mr. MELVILLE: That is the appeal board that I am talking about.

Mr. BROOME: Might we have prepared for our next meeting a statement along the following lines—showing for the past five year period, how many hearings have been held by the various appeal boards, the composition of those appeal boards, where they sat, and the results? How many applications were approved and how many were turned down?

Mr. MELVILLE: I can get it for you from the annual reports. It simply means taking the annual reports for the last five years. I have one here right now. They give the result each year.

Mr. BROOME: Does it give the names of the commissioners who sat?

Mr. MELVILLE: Oh no.

Mr. BROOME: If there are three commissioners, would the result of those three be given? In practice I would assume that you divided the work a great deal such as having certain men act as appeal boards; otherwise you would have—in Vancouver, let us say, if there were 100 cases to be heard,—you would have to be changing your appeal board, because among those 100 cases

there would be some commissioners who would have sat on the first or second hearings. Therefore in fact I take it that certain of the commissioners do most of the work on the appeal boards.

Mr. MELVILLE: No, that is not so. The load is equally distributed among the 13 commissioners, outside of the deputy chairman and myself, because we do not sit. But the load is equally distributed among the others.

In order to avoid the possibility you mentioned, when decisions are rendered by the commission—and that requires two commissioners—they are zoned so that certain commissioners, and they alone,—it may be five or six—will deal with that particular zone, and that is all.

Mr. BROOME: Might we be told, let us say, with respect to commissioners, A, B, C and so on, where they sat, the number of cases they heard, how many applications they granted, and how many they turned down?

Mr. MELVILLE: I do not know; I suppose it can be done. That is an analysis.

Mr. BROOME: Or over the last two or three years; that is easier.

Mr. HERRIDGE: We must not forget that our policy is to eliminate waste and extravagance.

Mr. BROOME: I might as well disclose my hand. There is a question of tough boards and easy boards. I would like to see whether those figures show that.

Mr. MELVILLE: Well, I do not think—

Mr. BROOME: Not easy boards.

Mr. MELVILLE: There is a question of geography. I try and keep my commissioners divided up. There are no preferences. I do not consider there are any difficult boards. I consider every appeal board is a fair adjudicating body which is seized with its responsibility and decides it, bearing in mind particularly that section 70 of the act says that benefit of the doubt shall be resolved.

Mr. BROOME: It seems to be the general impression that some boards are a little more prone to give the benefit of the doubt than others.

Mr. MELVILLE: The percentage of claims granted across Canada, taking it provincial-wise, is fairly constant.

Mr. BROOME: Mr. Melville, do you consider that your doctors are competent to assess and weigh evidence in the way that a lawyer is trained?

Mr. MELVILLE: Well, you are dealing with questions of disability and death, and in order to do so you must be guided by medical evidence. A layman is one member of the board and a lawyer is another. If a medical witness or some witness is stressing a certain point and if it is a medical question the other commissioners will ask their colleague who has trained and graduated to give the benefit of his advice in that regard. Actually, I think it is a very happy combination.

Mr. BROOME: I am not a lawyer, so I am not carrying the axe for the legal profession, but it seems to me that our courts rule on a tremendous variety of complicated problems—which is as complicated as having two doctors giving an opinion and to assess each one as right or not right—they are doing it all the time. It seems to me the composition of this board of the pension commission should be in the main lawyers, because the main job they have is to assess evidence. I do not think a doctor is trained to assess evidence; you will get three different opinions.

Mr. MELVILLE: I can refer back to appearing before committees of parliament over the past fifteen years. They take a contrary view to that. If decisions were based strictly on law, then I can assure you without any shadow of a doubt many claims would be rejected.

Mr. HERRIDGE: That has been proven before previous committees.

Mr. MELVILLE: That led to the action taken. For instance, if medicine was too predominant, it would provide the same situation. I consider the composition of the boards today overcomes that difficulty.

Mr. BROOME: Of your three ad hoc commissioners at the present time, how many are medical and how many are legal?

Mr. MELVILLE: The three ad hoc are C. B. Topp; he was chief pensions advocate from 1930 until he was appointed a commissioner two years ago. The second one is N. L. Pickersgill, who is a naval representative and who has been an ad hoc commissioner since 1945. And the third one is Mr. D. G. Decker who was appointed about two months ago from the province of Newfoundland.

Mr. MACDONALD (*Kings*): Are they lawyers or doctors?

Mr. MELVILLE: Neither one. Mr. Topp and Mr. Pickersgill are neither. Mr. Decker is an officer who has had very wide experience in social welfare work in British Columbia and also in Newfoundland.

The CHAIRMAN: My attention has been drawn to the fact that it is now past 12.30 and we have one or two outstanding questioners including Mr. Weichel. Do you want to proceed now?

Mr. WEICHEL: I was wondering. Suppose a 60 per cent pensioner passes away. Does his widow receive \$115 a month? Am I right? And under 60 per cent, is there any compensation?

Mr. MELVILLE: The situation is this: when a disability pensioner dies, his dependants are pensionable, if his death is attributable to service, irrespective of the rate at which the pension was in effect. It could be five per cent; it might be ten per cent, fifteen per cent, twenty per cent, or anything.

If death is attributable to service, the dependants are pensionable. But there is also another provision in the Pension Act whereby if pension is in payment of 50 per cent or more at the date of death, the widow and children are pensionable irrespective of the cause of death.

What happens is this: if the disability pensioner should die today, we receive notification. If a pension of 50 per cent or more was in payment she would receive his award of pension for her husband, herself, and the children up to the end of the month of July, and her widow's pension would start from the day following on his death. The cheque for the first month's pension is sent out by the commission on the day that notification of the death is received by us.

The file is taken down by hand to the treasury officer and the cheque goes forward because we realize there is no greater time of need than when the head of the home passes away. Therefore that cheque goes out in advance at once.

Mr. WEICHEL: I received a letter the other day from a lady who said: "I know you have lost your leg, I have lost mine as well. Where may I get a new one?"

She is 70 years old. She is a civilian. Her finances are limited. Does the Ontario government take care of such a situation, or where should I write in order to assist her.

Mr. MELVILLE: I do not know. I think it is a provincial problem.

Mr. WEICHEL: I had a letter about it sent to your department but I have not received an answer as yet.

Mr. MELVILLE: Prosthetic services, a branch of the Department of Veterans Affairs, will advise you as to the nearest source to which she should make application.

The CHAIRMAN: May we let all the questions stand for a moment. I do not want to interrupt Mr. Melville's testimony, but I must apologize for my being late this morning. T.C.A. is responsible. I shall lodge my complaint with the committee on transport.

In regard to further sittings, I presume that we shall meet on Thursday at 10.00 because we have staked a claim on Thursday mornings. If any other committee interferes it is trespassing on our territory.

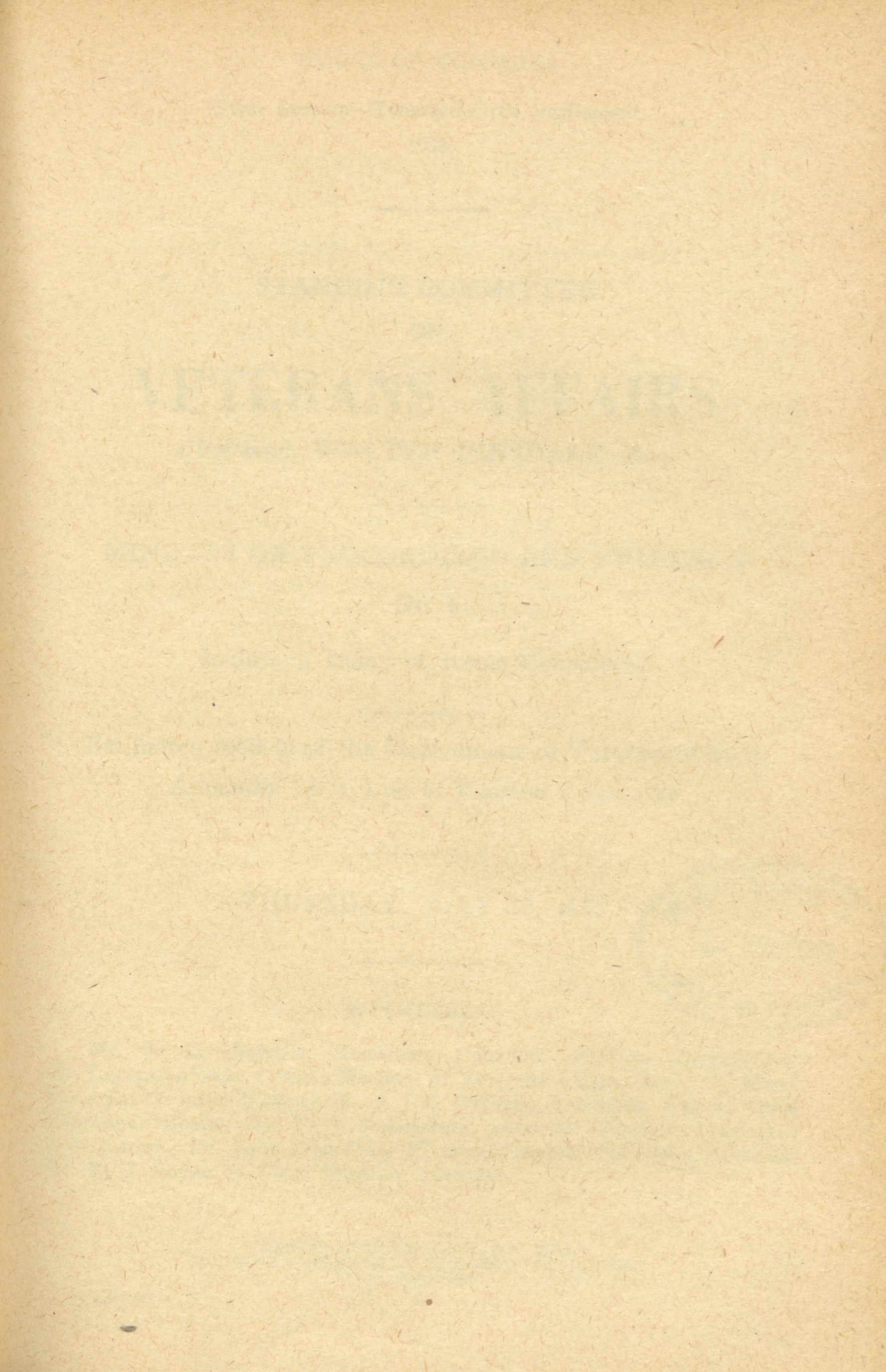
The meeting on Thursday morning will be held in room 268, our former room.

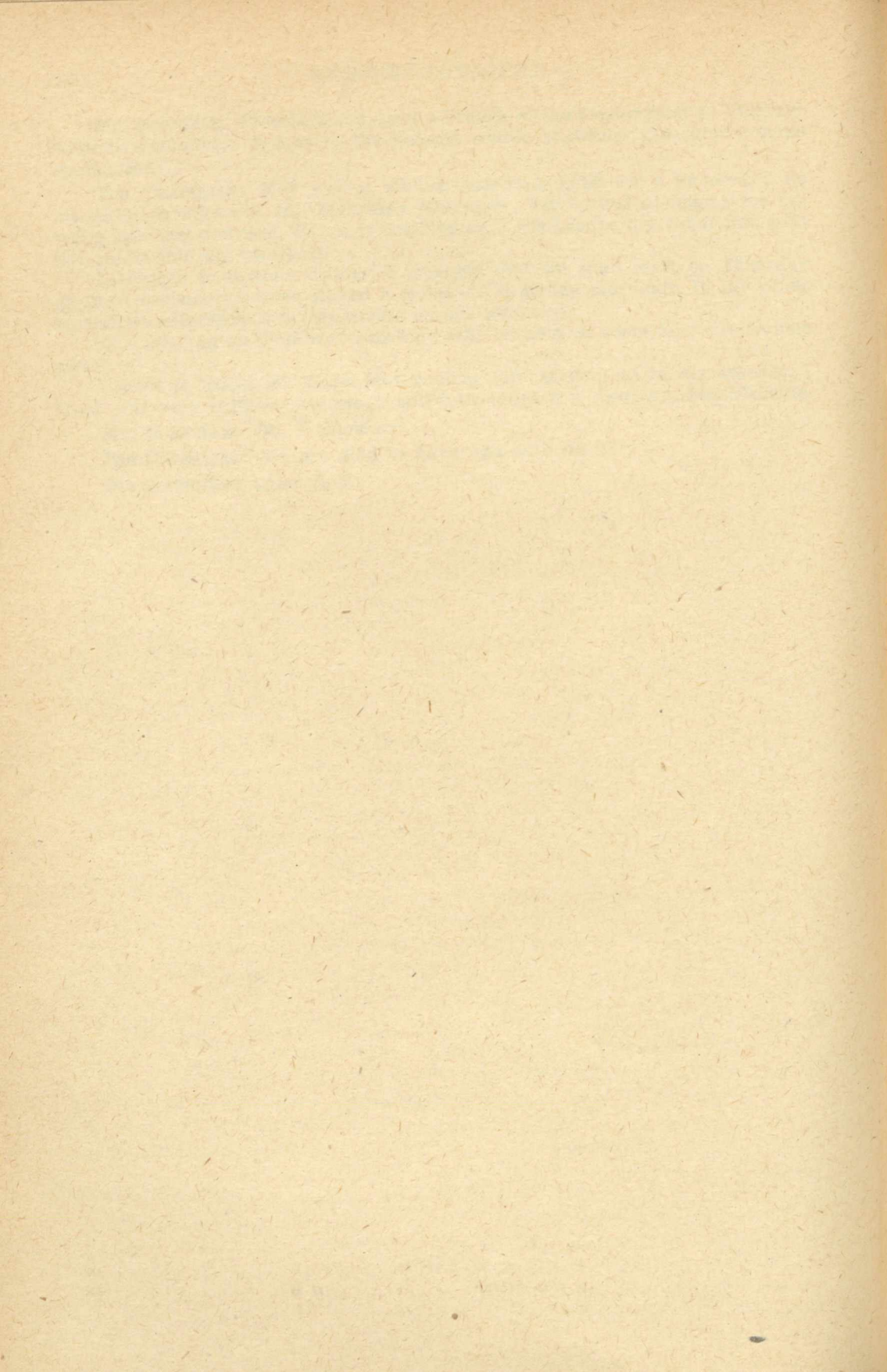
I want to thank Mr. Gage Montgomery for carrying on in my absence. I trust you were suitably welcomed and introduced this morning, Mr. Melville.

Mr. MELVILLE: Oh, I think so.

The CHAIRMAN: We are glad to have you with us.

The committee adjourned.





HOUSE OF COMMONS

First Session—Twenty-fourth Parliament

1958

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

Including Index of Items Considered

Estimates 1958-59 of the Department of Veterans Affairs

Appendix "A": List of Pension Advocates

THURSDAY, JULY 10, 1958

WITNESSES:

Mr. J. L. Melville, Chairman, Canadian Pension Commission;
Mr. Lucien Lalonde, Deputy Minister of Veterans Affairs; Mr. F. T. Mace,
Assistant Deputy-Minister; Mr. F. J. G. Garneau, Chairman, War Veterans
Allowance Board; Mr. T. J. Rutherford, Director, Veterans Land Ad-
ministration; Dr. John Crawford, Director-General, Treatment Services;
Mr. P. E. Reynolds, Chief Pension Advocate.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1958



STANDING COMMITTEE ON VETERANS AFFAIRS

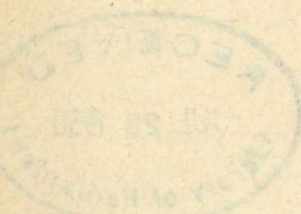
Chairman: Walter Dinsdale, Esq.,

Vice-Chairman: G. W. Montgomery, Esq.

and Messrs.

Anderson	Herridge	Peters
Batten	Houck	Regnier
Beech	Jung	Roberge
Benidickson	Kennedy	Robinson
Bigg	Lennard	Rogers
Broome	Lockyer	Speakman
Cardin	Macdonald (Kings)	Stearns
Carter	MacEwan	Stewart
Clancy	MacRae	Thomas
Denis	McIntosh	Webster
Fane	McWilliam	Weichel
Forgie	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.



MINUTES OF PROCEEDINGS

House of Commons, Room 268,

THURSDAY, July 10, 1958.

The Standing Committee on Veterans Affairs met at 10:00 o'clock a.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Anderson, Batten, Beech, Broome, Cardin, Carter, Dinsdale, Forgie, Garland, Herridge, Lennard, Lockyer, Macdonald (*Kings*), MacEwan, MacRae, McIntosh, Ormiston, Parizeau, Peters, Regnier, Roberge, Robinson, Rogers, Speakman, Stearns, Stewart, Thomas, Weichel, Winkler.

In attendance: Mr. J. L. Melville, Chairman, Canadian Pension Commission, and Mr. L. A. Mutch, Vice-chairman. Also Mr. Lucien Lalonde, Deputy Minister of the Department of Veterans Affairs, Mr. F. T. Mace, Assistant Deputy Minister; Mr. P. E. Reynolds, Chief Pensions Advocate; Mr. F. L. Barrow, Departmental Secretary; Mr. J. G. Bowland, Chief, Research and Statistics; Mr. C. F. Black, Superintendent of Veterans Insurance; Mr. F. J. G. Garneau, Chairman, War Veterans Allowance Board; Dr. John N. Crawford, Director-General, Treatment Services.

The Chairman presented the Report from the Subcommittee on Agenda and Procedure which, on motion of Mr. Herridge, was unanimously adopted. (*See Report in Minutes of Evidence*).

The Committee resumed consideration of item 489 of the Main Estimates with Mr. J. L. Melville under questioning.

After prolonged consideration items 489, 490 and 491 were approved.

Mr. Melville was thanked by the Committee for his enlightening presentation.

Mr. Mace filed a statement of Appropriations and Expenditures for Fiscal year 1957-58, a copy of which was supplied to each Member.

Messrs. Lalonde and Mace were questioned thereon.

Messrs. Rutherford, Lalonde, Mace, Garneau and Dr. Crawford answered questions arising from points raised at previous sittings.

At 12:20 o'clock p.m. the Committee took recess.

MINUTE BOOKS AFTERNOON SITTING

Room 118

The Committee resumed at 3:30 o'clock p.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Batten, Beech, Broome, Carter, Denis, Dinsdale, Forgie, Herridge, Lockyer, Macdonald (*Kings*), MacRae, McIntosh, Ormiston, Parizeau, Regnier, Roberge, Robinson, Rogers, Speakman, Stearns, Thomas, Webster, Weichel, Winkler.

In attendance: All officials shown as in attendance at the morning sitting.

Item 480 was called. Mr. P. E. Reynolds was questioned thereon. The witness filed a statement showing the names of Veterans' Bureau Pensions Advocates throughout the country, which was ordered to be printed as Appendix "A" to today's proceedings. During Mr. Reynolds examination Messrs. Lalonde, Melville and Garneau were questioned briefly on specific points.

After lengthy consideration Item 480 was approved.

On motion of Mr. Broome, seconded by Mr. Beech, it was ordered that the Estimates be referred back to the House as approved.

The Chairman thanked the officials present for their attendance and their contribution to the work of the Committee.

At 4:45 o'clock p.m. the Committee adjourned to meet again at 10:00 o'clock a.m. Thursday, July 17, 1958.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

THURSDAY, July 10, 1958.

10 a.m.

The CHAIRMAN: Gentlemen, we have a quorum and the first item this morning is a report from the sub-committee on agenda and procedure.

It was agreed and it is so recommended that the committee endeavour to complete the study of the estimates of the Department of Veterans Affairs on Thursday, July 10, and sit in the afternoon if necessary.

The committee to sit again on the 17th July to consider the legislation which will be referred to it, that is, the two bills that were referred to it in the house yesterday. In that connection it was agreed and it is so recommended that the Canadian Legion should be heard and whatever other veterans organizations which may ask to make representations on the said legislation.

It was further agreed and so recommended that item No. 473 of the main estimates be left open to the end of the proceedings as they relate to estimates, so that any question arising may be disposed of.

Is there any discussion on this report?

Mr. MACRAE: I take it, Mr. Chairman, if the legion appears it is restricted to the question of the insurance acts. We cannot discuss anything else.

The CHAIRMAN: I think that is their only desire at this time, Mr. MacRae.

Mr. MACRAE: That was my understanding.

The CHAIRMAN: I was talking to Mr. Anderson the other night and I understand that they are going to make their general submission to the cabinet in the fall. It has become customary for them to appear before the cabinet on November 11.

Mr. MACRAE: They do not wish to make any submission on this commitment?

The CHAIRMAN: No, that is my understanding.

Is there any further discussion?

Mr. HERRIDGE: I move the wisdom of the steering committee be affirmed.

Mr. MACRAE: You must have been on that committee at one time.

The CHAIRMAN: Before I put that motion I would like to put just one comment, gentlemen. In the last paragraph of the report of the members of the steering committee you will notice I have used the following words:

It was further agreed and so recommended that item No. 473 of the main estimates be left open to the end of the proceedings as they relate to estimates so that any question arising may be disposed of.

Now, the reason for that phrase "as they relate to estimates" is, because we are going to find it necessary to report on estimates back to the house very shortly.

The business is beginning to move fairly rapidly and I understand there may be a request for a change in the hours of sittings and we will be asked to report on estimates just as quickly as possible.

Now, does that find favour with the members of the steering committee and the general committee?

Mr. FORGIE: Yes, definitely.

Mr. HERRIDGE: That meets with the legal technicalities and leaves an escape hatch.

The CHAIRMAN: I understand that is so. We will definitely have to clear them up next Thursday. Is there any further discussion?

All in favour?

Agreed.

Now, we have some outstanding questions to be answered and I will call upon Mr. Mace. We will proceed to the consideration of the items under the Canadian Pension Commission and in view of the fact that I did not have the opportunity of officially welcoming Brigadier Melville at the opening of the session last Monday, I take the opportunity at this time.

Brigadier Melville has had wide experience as chairman of the Canadian Pension Commission and in connection with the Department of Veterans Affairs and I understand that one of these days he will be entering into honourable retirement and I take the opportunity at this time of expressing appreciation on behalf of this committee, on behalf of the house and the veterans across Canada for his fine years of faithful service.

Mr. FORGIE: Just before we get on with it, I would like to say something with reference to Brigadier Melville. I have known Brigadier Melville for a good many years since England in World War II and I have had a lot to do with the department of pensions in the last twenty years or so, and I can say without fear of contradiction that there is no department any better or more ably administered than that of the Canadian Pensions Commission and at no time did one not receive the most careful consideration and the most expeditious consideration.

That was one of the outstanding qualities of Brigadier Melville in that he did not "old soldier" on the job, and you got an answer right back as soon as you asked for it. I think it is an outstanding loss to the country to have Brigadier Melville retire.

I am sorry to see it happen.

Mr. LENNARD: I will second that.

Mr. McINTOSH: As a new member I wonder if we could not prevail upon Brigadier Melville to head some of the other departments. He will have to head up half a dozen other departments.

The CHAIRMAN: He might be ex-officio adviser to other departments.

Brigadier J. L. MELVILLE (*Chairman, Canadian Pensions Commission*): Mr. Chairman and gentlemen, I thank you for your kind remarks. Old anno domini is creeping up on me these days and I certainly will not be retired by statute; I am resigning.

At our previous meeting Mr. Broome asked a question or two with regard to appeal boards of the commission. Behind that question—and he was quite frank about it—was the statement that some appeal boards were possibly more favourable than others and he wished particulars over some of these years.

Through the efforts of my staff who willingly and gladly did some night work, I have had a statement prepared showing a review of all the appeal board claims which were dealt with in the fiscal year 1956 and 1957. That meant reviewing practically 1500 decisions as a result of which I will table a statement showing by provinces the total number of claims heard by these appeal boards, the number which were ruled upon favourably, and those

unfavourably. In addition to that I have an analysis here on page 2 of each province or each centre in which these appeal board hearings were heard and that analysis gives the names of the commissioners who heard them.

For example, in British Columbia there are six commissioners who are eligible to hear appeal board claims—Messrs. Forman, Pickersgill, August, Coke, Brown and Topp and against each of these appeal boards will be found the commissioners and you will observe the result of the claims that were heard by them.

One added observation: three members of the commission constitute an appeal board. It is not necessary that there be unanimous agreement among the three members. A majority total will govern so that if two members of the appeal board reach a decision then that is the decision of the appeal board and it is so recorded on the file.

With your permission, Mr. Chairman, I will table this statement and trust it gives the information Mr. Broome requested. It is for the fiscal year, 1956-57.

CANADIAN PENSION COMMISSION
APPEAL BOARD CASES HEARD—PROVINCIAL TOTALS
FISCAL YEAR APRIL 1, 1956—MARCH 31, 1957

	<i>Total</i>	<i>Favorable</i>	<i>Unfavorable</i>
Newfoundland	17	6	11
Nova Scotia	63	25	38
Prince Edward Island	5	2	3
New Brunswick	76	35	41
Quebec	340	144	196
Ontario	625	262	363
Manitoba	80	31	49
Saskatchewan	59	21	38
Alberta	52	24	28
British Columbia	174	86	88
Totals	1491	636	855

CANADIAN PENSION COMMISSION

CASES HEARD BY APPEAL BOARDS DURING FISCAL YEAR—APRIL 1ST, 1956 TO MARCH 31ST, 1957

District	Number Sessions	Commissioners	Cases Heard	Favorable	Not Favorable
NEWFOUNDLAND					
St. John's.....	1	{ Pickersgill..... Bates..... August..... }	17	6	11
NOVA SCOTIA					
Halifax.....	3	{ Langelier... Bates..... Pickersgill... August..... Coke..... Gordon (Ret)..... }	63	25	38
PRINCE EDWARD IS.					
Charlottetown.....	1	{ Pickersgill..... Bates..... Coke..... }	5	2	3
NEW BRUNSWICK					
Saint John.....	5	{ Mutch..... August..... Pickersgill..... Coke..... Bates..... Gordon (Ret)... Topp..... }	76	35	41
QUEBEC					
Montreal.....	10	{ Langelier... Mooney..... Painchaud... Coke..... Blier..... }	209	88	121
Sherbrooke.....	1	Langelier... Painchaud..... Blier.....	3	2	1
Gaspé and Lower St. Lawrence.....	4	{ Langelier..... Blier..... Mooney..... }	58	18	40
Quebec.....	5	{ Langelier... Mooney..... Painchaud... Laird..... Blier..... }	70	36	34
ONTARIO					
Ottawa and Out-of- Canada.....	6	{ Langelier... Bates..... Mooney..... Forman... August..... Blier..... Pickersgill... Coke..... Topp..... Painchaud... Brown..... }	50	19	31
Kingston.....	1	{ Bates..... Blier..... Mooney..... }	18	5	13
North Bay.....	3	{ Forman..... Brown..... Pickersgill... Coke..... Mooney..... August..... Topp..... }	55	21	34
Toronto.....	11	{ Forman... Coke..... Langelier..... Pickersgill... Brown..... Topp..... Bates... Mooney..... Laird..... August... Blier..... Gordon (Ret).. }	221	93	128
Hamilton.....	4	{ Forman... Coke..... Painchaud... Blier..... Gordon (Ret).. Bates... Topp..... }	83	30	53
London.....	5	{ Forman... Bates..... Brown..... Pickersgill... August..... Topp..... Painchaud... Coke..... Gordon (Ret).. }	96	51	45
Guelph.....	1	Painchaud... Coke..... Topp.....	19	11	8
Windsor.....	4	{ Forman... Bates..... Mooney..... Pickersgill... August..... Blier..... Painchaud... Coke..... Gordon (Ret).. }	83	32	51

CANADIAN PENSION COMMISSION

CASES HEARD BY APPEAL BOARDS DURING FISCAL YEAR—APRIL 1ST, 1956 TO MARCH 31ST, 1957

District	Number Sessions	Commissioners	Cases Heard	Favorable	Not Favorable
MANITOBA					
Fort William.....	2	Forman.....Brown.....Mooney.....	11	4	7
Winnipeg.....	3	{Forman.....Coke.....Mooney..... August.....Brown.....Topp.....}	69	27	42
SASKATCHEWAN					
Regina.....	2	Forman.....Brown.....Mooney.....	26	12	14
Saskatoon.....	3	{Forman.....Coke.....Mooney..... Pickersgill...Brown.....}	33	9	24
ALBERTA					
Calgary.....	2	{Forman.....Coke.....Mooney..... Pickersgill...Brown.....}	31	13	18
Edmonton.....	2	{Forman.....Brown.....Mooney..... Pickersgill...Coke.....}	21	11	10
BRITISH COLUMBIA					
Vancouver.....	6	{Forman.....August.....Brown..... Pickersgill...Coke.....Topp.....}	111	51	60
Victoria.....	3	{Forman.....August.....Brown..... Pickersgill...Coke.....Topp.....}	40	22	18
B.C. Interior.....	5	{Forman.....August.....Brown..... Pickersgill...Coke.....Topp.....}	23	13	10
	93	Totals.....	1491	636	855

Compiled 9.7.58.

Mr. BROOME: I would like to thank Brigadier Melville and his staff for the work which I know went into the preparation of this statement. We do get these rumours. There is undoubtedly nothing in what we hear but we now have something like this with which we can knock out criticism.

I think it will be valuable for all members of the committee to have it.

Mr. MELVILLE: I was only too happy to supply it.

Mr. BROOME: I do want to thank the staff for having gone to what must have been a lot of trouble.

Mr. MELVILLE: May I ask Mr. Broome if that is the information that was requested?

Mr. BROOME: Yes, sir.

The CHAIRMAN: This statement will be printed in the report.

Mr. MELVILLE: That was all I undertook to prepare for the committee.

Mr. ROBINSON: Mr. Chairman, if the committee would allow me to back-track a bit to page 52 of the minutes of the first meeting I asked for some information concerning the last post fund.

The CHAIRMAN: Mr. Robinson are you going to make an inquiry about the last post fund at this time?

Mr. ROBINSON: At this time I would like to make some remarks about the answer given to my question. I was unable to be here a week ago today

and there was an answer given to the question by Mr. Lalonde and I would like to clear the matter up in my mind.

The CHAIRMAN: I wonder should we not proceed to consider the Canadian Pension Commission and then clear up any questions after we have concluded with Brigadier Melville.

Would that meet with your favour?

Mr. ROBINSON: That is quite all right.

Mr. CARTER: While we are on the subject of the appeal boards, Brigadier Melville, a while ago there was criticism about the long delay in holding appeal boards in Newfoundland and I wonder if you would say something as to what steps have been taken to correct that.

Mr. MELVILLE: I am sure Mr. Carter could solve part of that problem for us. Just about two months ago my colleagues set off for Newfoundland to hold a hearing at St. John's, opening on a Monday morning. They were dumped down at Gander on Sunday evening. There was no possibility of getting into St. John's on the Monday and there was no possibility of getting there on the Tuesday. They had only a two day hearing listed. On the Wednesday they had to be in Halifax to open hearings there because the applicants and their witnesses had been called. So we got frantic messages asking where the appeal board was. They went ahead. They managed to get into Halifax, and conducted their hearing there and in Charlottetown. I arranged special hearings at the end of their session in Nova Scotia and New Brunswick, and they returned to St. John's. The hearings are up to date.

The situation will depend on having enough claims listed as ready for hearing. It is impossible to send an appeal board in to hear one or two claims. The advocate is very conscious of the situation there and we have the utmost cooperation with him.

Mr. CARTER: When was the previous appeal board held? Was it a few weeks ago?

Mr. MELVILLE: Yes.

Mr. CARTER: And the previous one?

Mr. MELVILLE: The previous one was last year.

Mr. CARTER: And the one before that was over a year—I understand probably nearly two years ago, was it?

Mr. MELVILLE: About 15 months, I think, Mr. Carter. The difficulty was getting in again. The appeal board was on the way, as I was myself, and we could not get in to your fair city.

Mr. CARTER: Your problem is to gather up a sufficient number of claims.

Mr. MELVILLE: Yes.

Mr. CARTER: And how many claims do you consider worth taking to justify a trip?

Mr. MELVILLE: Well, the docket for an appeal board for one day usually consists of five claims and when we have that number of claims the commission is certainly prepared to go ahead and hear them. We have no desire to have outstanding claims.

Mr. CARTER: Well, I suppose the fact that you have so few appeals is a compliment to the record of your commission.

Mr. MELVILLE: I think that is a fair statement. Our relationship in Newfoundland is very happy indeed.

Mr. HERRIDGE: Brigadier Melville, I am running into numbers of cases of chaps over 60, particularly of the first world war, who want to obtain war veterans allowances. It is particularly the cases that have short service

in England—less than 365 days. If a veteran has a five per cent pension he then becomes eligible for war veterans allowance. In some cases I find veterans—and I am always running into questions on this—who have a commuted five per cent pension, and have forgotten about it, and do not realize that under the present law pensions can be reestablished. Could you inform the committee, Brigadier Melville, what numbers there are in that category. Do you run into that very frequently? Is the five per cent commuted pension reviewed and the veteran notified.

Mr. MELVILLE: What you say is very true, Mr. Herridge. In the early twenties the pension act was amended and the pensioner whose award was less than 15 per cent was allowed to take a final payment. It did not work out. The maximum amount which he could receive was \$600. He got his \$600 or less, depending upon the degree of disability. He promptly spent it, and the next thing he wanted was his monthly award of pension. It was not very long before the Pension Act was amended once again and commutation of pension was washed out. In the opinion of the commission, and I am certain in the opinion of veteran organizations, they had no desire that it should be reinstated. The pensioner was advised and we have pursued every avenue open to us. But all the man has to do is to reapply to the commission and make application for examination. We examine him and we will reinstate his award in accordance with the extent of the disability which is in evidence at the time he reapplied. A large number have done that.

There are others also, Mr. Herridge. I dealt with a case yesterday of a man with a short term of service in England whose award was less than five per cent. For that he received a single payment of \$50 which was the compensation provided for in the act. We called him in because it is our desire to make sure he is fairly and properly compensated. We reexamined him. The extent of disability was again less than five per cent; but because of the increased scale of awards which became effective on July 1, 1957, he was entitled to another additional payment of \$50. and the cheque went out. These cases are reviewed and we are very sympathetic towards them.

THE CHAIRMAN: Are there any further questions, gentlemen?

Mr. CARTER: There is no intention to make any amendments to the Pension Act at this session? Is there any change contemplated in the foreseeable future?

Mr. MELVILLE: I cannot speak for parliament. I do not know what you gentlemen intend to do. But if there are any favourable amendments to the Pension Act, I can assure you without any doubt or hesitation whatsoever that the commission will immediately and speedily implement them.

Mr. THOMAS: I wonder if Brigadier Melville can comment on the attitude of the pension commission in this regard, in the case of a veteran who was taken into the armed services on a medical category of A-1 and later discharged with some disability. I have heard complaints to the effect that the pension commission would not accept his medical rating as shown on his admission into the armed services as valid evidence when considering his claim for pension.

Mr. MELVILLE: I take it, Mr. Thomas, that you are dealing with what is sometimes referred to as "fit for service, fit for pension." A man prior to being enlisted into the forces is examined. As you know, all members of the forces are examined on enlistment. You know how complete these examinations are. It happens in many, many cases that within a very short time after that man has been enlisted certain disabilities become evident. We have many complaints from him. He is on sick parade all the time, and he gives a history which is the very same as the ordinary civilian when he goes to his

doctor for medical attention and the first thing the doctor says is "What is wrong with you; how long have you had it; how does it affect you." The problem the doctor is faced with is how to arrive at a diagnosis. When a member of the forces takes ill during service, the same thing happens. He will go to his unit medical officer or may be sent down to a field ambulance. He will be examined; these questions are asked and they form part of the record. He gives on his own volition a history of what happened to him long before his enlistment and when, following his discharge, the commission considers a claim for that condition, we cannot ignore the evidence which is on record. Not the evidence placed on the record by the commission, but a history given by the applicant himself during his service. If after consideration the commission is of the opinion that the condition was pre-enlistment in origin and not aggravated during service, we so rule. But as I explained at the meeting of the committee on Monday, if that veteran served in a theatre of actual war and that disability was not recorded at the time he enlisted and was not obvious at that time, then he is pensioned to the entire extent of the disability. That is a very favourable provision of the Pension Act, which affects all those who had service in a theatre of actual war. Service in a theatre of actual war for World War II was service anywhere outside of Canada.

Mr. BEECH: Mr. Chairman, I think I understood the brigadier to say the other day there were cases of people appearing before appeal boards, and although there was no additional evidence because of the fact they made these personal appearances, they were able to convince the appeal board they were entitled to a pension. What happens in that case? They make the first application and it is rejected, and then later on it is granted by an appeal board. Does that pension date from the date of application?

Mr. MELVILLE: No, the Pension Act provides as a result of amendments made in 1936 that when a favourable decision is rendered by an appeal board, the award would be effective from the date of grant, which is the date of the hearing, or for a period of twelve months prior to that if they are of the opinion that a disability has existed for some time. In that case, the award goes back twelve months; and that applies in the great majority of cases.

There is a further provision in the Pension Act that an additional award of six months may be made in cases of hardship and distress beyond the twelve-month period. If that is proven, and the disability existed over that period, we may go back an additional six months. There is a further provision in subsection 3 of the same section that if there is a delay in the accumulation of evidence brought before the adjudicating body as a result of administration and other causes beyond the applicant's control, the commission may go back for a further period not exceeding eighteen months. That provision was made some years ago by an amendment to the statute, because following World War II it was learned, with many Canadians serving in all parts of the world, documents had not reached the director of war service records and it took time to get the evidence. In order to make provision for them, that amendment was made to the statute.

Mr. McINTOSH: At the last meeting I asked a question—and to keep the record straight I think I owe the committee an apology. I was referring to this summary of estimates, and I said it appeared here that civilian allowances were increased by \$10,000. I had my dates mixed up. I see now there was a decrease of \$10,000; so please ignore that question.

THE CHAIRMAN: Thank you sir.

Mr. ORMISTON: In this day of improved medical care and therapy, has it been the case that we have had to suspend pensions because a veteran reached a stage where he was no longer pensionable?

Mr. MELVILLE: Oh yes. The act provides that pension shall be awarded in accordance with the extent of that pensionable disability that is found on medical examination from time to time. If a man suffers from an amputation just above the knee, it is a fixed disability. It is a 70 per cent disability and it will not change. We assess it at 70 per cent pay pension and mark it A.P., apparently permanent and unless he has some other complaint, that goes on. Men for whom pensions are paid for systemic diseases—where the disability may increase or decrease—are called in for review in six months, one year or three years, whatever we consider may be a reasonable period of time. If his disability has increased his award is increased. If the disability has lessened—and that happens—we will say following surgery in some cases, and we have noted the proceedings of the discharge medical board, and find his disability has decreased, we will carry him on a reasonable allowance for a post-operative period following his discharge and then re-examine him and pay pension in accordance with the extent of the disability found at that time. We have endeavoured at all times to compensate to the full extent of the disability which exists at the time and if a pensioner has his award marked A.P., exacerbation—should he feel worse in his opinion—all he has to do is write to the senior pension medical examiner. That is why that table giving a list of the names of the senior pension medical examiners throughout Canada was presented.

Mr. WINKLER: Brigadier Melville, you mentioned in the case of a pensioner who might improve in his condition you would call him in from time to time for medical examination and, no doubt, adjust his pension accordingly if there is evidence of improvement. In the case of a pensioner whose pension has been eliminated because of his improvement and there is a recurrence of the circumstances, does that man have the opportunity of returning to the facilities of the department for examination?

Mr. MELVILLE: That is a very good question. Once entitlement has been conceded by the commission it remains. So that while a disability may be negligible from an assessment point of view, he still retains entitlement and entitlement means entitlement to treatment any time for such a pensionable condition and to reinstatement of pension should the disability reach an assessable degree.

Mr. WINKLER: I thought that was the case, but I find again in practice that it is not always so and I have found that people who wish to return—I realize that may be the fault of the individual in some instances—but I am aware of cases where the individual has been requested by the department to have examination made by his own physician. I have been given to understand through telephone conversation, I believe, with Mr. Parliament—I am not certain of that—that the expenditure incurred thusly could be recovered.

Again I find in most circumstances that is not the case and that it has been as a result of misunderstanding from the information relayed by the authorities. Although it may not be tremendously important, I think it is something that might be clarified when these people are being informed.

Mr. MELVILLE: You mentioned something along the same line at a previous session, Mr. Winkler.

Mr. WINKLER: I do not know if I inquired privately or not.

Mr. MELVILLE: I promised then to issue any necessary instructions, and I shall be glad to do so. Some men, as you will appreciate it constantly complain.

Mr. WINKLER: I have heard that too.

Mr. MELVILLE: We have brought them in and had other re-examination to determine if there were other disabilities or not, or if their complaints were the result of something else for which there was no entitlement.

The man may say: "My doctor tells me I have this trouble." Then we say: "Send us a certificate from your doctor giving the diagnosis of the condition as relating to your present complaint."

When the certificate is received we examine it and if we consider it is relevant to his pensionable condition, we will call him in. If he should be further examined, that is done, and if the claim is an approved one he is reinstated and his doctor is reimbursed for the cost of that examination.

Mr. WINKLER: Perhaps you could tell me about this: briefly, I had the case of an individual who could not even get entitlement from the department and who had spent something in excess of \$5,000 on his own case.

When the case was finally brought before the proper authorities, they granted this man entitlement to the extent of an 80 per cent pension, yet throughout his entire history since the second great war he could not get consideration.

This may have been his fault. I do not hesitate to add that. But I do feel that over that period of time—and he was dealing with the people in Toronto—the department might have been more lenient in the matter, and they might at least have found this pensionable condition within that period of time.

He is now receiving an 80 per cent pension.

Mr. MELVILLE: I would like to know the regimental particulars of the pensioner in question. I shall examine the file—not with a view to finding out whose fault it was—but to make sure that this individual is receiving the maximum benefits under the Pension Act.

Mr. WINKLER: Thank you, I shall do that.

Mr. WEICHEL: I would like to say thank you to Mr. Melville. I had a chap in Kitchener who was supposed to be in London at a certain hour but through the train connections he missed his appointment. They only paid him for one day instead of two.

I received a letter this morning stating that they will pay him for the extra day. He is a complainer, and I think he will tell everybody in Kitchener that he received that extra pay.

Mr. MELVILLE: Thank you.

Mr. PETERS: I would like to ask Mr. Melville what the situation is in the department in regard to the new hospital plan and how it relates to veterans.

I raised this question last year in the house in relationship to the fact that in my particular area there has been a medical plan for a number of years connected with the mining industry. It was a very expensive plan, highly paid and probably as comprehensive as any plan that I know of.

The tendency was, and this is something which the department has to do I suppose—pensions hinge a great deal on how often you go to the doctor and how often your report comes in. If a year goes by and there are no doctors called, and there are no expenses claimed then probably the pensioner does not need any further assistance.

We found with these people going through the medical plan, that the doctors were much more interested in getting paid by the plan than they were by the pension commission.

This may present a real problem when we have the hospital insurance plan and probably some other services that are going to be worked with it, such as additional P.S.I. or something of that nature.

It has been a real problem in the Timmins and Kirkland Lake areas where these medical plans have been so extensive.

This is a complaint coming out of the North Bay office all the time: that people are going in there and they are being told that they are much improved over the previous year because they have not had any treatment. Yet they may have received treatment every two weeks that the medical plan has been taking care of, rather than the commission.

I think Mr. Melville is familiar with this problem because it has been mentioned a number of times. I wonder if something is going to be done about it so far as the new hospital set-up is concerned because it seems to me you may be running into that problem all across the country.

Mr. MEVILLE: There is no better informed person than Dr. Crawford, director general of treatment services of the Department of Veterans Affairs, who is here. Possibly, when you come to consider the departmental estimates, you may ask him any questions.

In so far as pensioners are concerned, certainly when a man is called in for re-examination we ask him regarding his complaints and so on. Actually he signs a statement. He is asked to state in his own words what his complaints are. He lists them on a statement, and when this is done, the doctor passes it over to him and says: "This is your statement, have you anything to add?" "No." "Will you sign it?" And then he signs it.

We are not necessarily concerned with the amount of medical attention he received. We look into it, but most of our pensioners get medical attention through the facilities of the department. Of course they can get it at any time because they are entitled to treatment for their pensionable condition, when required.

Mr. PETERS: This becomes a problem, and personally I am quite familiar with it because it has happened a number of times.

It is a fact that if these calls are not recorded, then the department assumes there is no need for that treatment any longer.

Mr. MELVILLE: No. The veteran, after all, was a member of the forces, and if he says: "I have had this trouble for the past six months, and I have seen my doctor half a dozen times or more", we usually have a pension visitor call on that doctor and look at his records to see what they are, and we take the appropriate action.

Mr. MACEWAN: It is my understanding that in certain cases where medical services cannot be rendered for the patient here in Canada, that the pensioner is entitled to a certain amount for his medical and hospital bills outside the country, and that this is provided for by statute. Is that right or not?

Mr. MELVILLE: I think you are getting into the treatment branch and your question might be answered by the department later on.

Mr. HERRIDGE: I am bringing this case to your attention in order to get the information on the record.

I have a patient in my constituency who, without any action on his part, was awarded a small percentage of pension by the commission because of his eyesight. He was carried on pension for a year or two. I am not quite sure of the length of time and then the pension was discontinued.

This veteran is making a good living at the present time but in a type of occupation where eyesight is very important. He is not concerned with a pension at the present time but he is concerned somewhat about the future so far as his income is concerned. He is also concerned in respect to the particulars of treatment should this eye condition recur or get worse.

Would you mind telling the committee, Mr. Melville, what the position of that man is at the present time and what his rights are?

Mr. MELVILLE: I take it that in respect of the case you cite there as an entitlement granted by the commission for that eye condition?

Mr. HERRIDGE: That is right.

Mr. MELVILLE: The veteran was examined?

Mr. HERRIDGE: Yes.

Mr. MELVILLE: The disability was found to be of an assessable degree and a pension was awarded?

Mr. HERRIDGE: Yes.

Mr. MELVILLE: The pension continued until he was called in for re-examination. On reexamination one, two, three, four, five years afterwards the eye condition was found to have improved and was no longer a disability to an assessable degree. As a result of that his pension ceased or was reduced. If there was no disability at all, no pension could be paid. However, this man still retains his entitlement, he never loses that. This means the man is entitled at any time to such treatment as is required for the eye condition. This treatment is given under departmental auspices, and should the eye condition worsen and become assessable then he will be reinstated on pension.

Mr. CARTER: In the case of a veteran who has appealed a decision and has lost that appeal, how long must he wait before he can request another examination?

Mr. MELVILLE: The pension act provides that the decision of an appeal board is final and binding on the commission.

Mr. CARTER: Does that apply forever?

Mr. MELVILLE: I will come to that question.

The act says that the decision of the appeal board is final and binding on the commission. There is, however, section 65 (4) of the pension act. This is a provision whereby an application for leave to re-open may be considered.

The act specifically provides that the only basis on which such an application may be granted is on account of it having been established that there was an error made in the previous decision of the appeal board because of evidence not having been advanced or otherwise. The procedure then is, the decision has been rendered by the appeal board; the applicant does not accept such decision—he feels it was unfair. He then consults his advocate and the advocate advises him that there is only one avenue to follow and that is by application under section 65 (4). He would ask the applicant if he considered that there was an error on the part of the appeal board in their decision and if so what the error was. These facts are then marshalled and an application comes forward as a rule from the veterans bureau or the legion service bureau office for leave to re-open.

When the application is received an altogether new appeal board consisting of three of my colleagues is named to consider that application for leave to reopen.

I must make it clear, this is not a re-hearing of the claim. A decision in that regard has been rendered by the previous appeal board.

However, this procedure is in accordance with the statutory requirement to decide whether or not an error was made in the previous decision on account of evidence not having been presented.

On a number of occasions new evidence will be advanced and new diagnoses are made which have a material effect on the decision rendered by the appeal board. If the new appeal board, after considering the application, decides there was an error made they grant the application. Once that application has been granted everything that has happened in the past is wiped out in so far as that disability is concerned. We then will render an initial decision. If a pension is not granted the man still has his right to further renewal and eventually an application to the appeal board.

Mr. CARTER: What would be the position of a pensioner whose claim and appeal is rejected on the basis that his condition was a pre-enlistment condition? That assessment of his pre-enlistment condition would depend upon an interpretation and evaluation of certain factors based on evidence perhaps which he presented himself and that evaluation might not be a correct one. What recourse would a pensioner have in that regard?

Mr. MELVILLE: That evaluation is done by members of the original board. The man is present to put forward his claim. To assist him in advancing his claim he has an advocate from the veterans bureau or a service officer of the legion, or another veterans organization. He has his witnesses and the appeal board considers all these factors relating to the claim. The appeal board then renders their decision. If the claim is not granted and the applicant subsequently is able to prove that there was an error in the decision of the appeal board, and has evidence to support that, then he submits his application for leave to re-open. This is not a re-hearing of his claim. We have no authority to re-hear his claim unless an application is granted.

Mr. CARTER: What would you say in regard to a person, particularly a veteran, who runs to the doctor for every type of ache and pain and builds up a record? Would such an individual have an advantage over a person, or another veteran, who did not bother to form such a habit?

Mr. MELVILLE: I think Mr. Carter can answer that question just as well as I, or any of us who is a veteran, could answer it.

There are World War I veterans who are now claiming a condition relating to service in World War I whose records are blank—there has been no complaint. Sometimes they received treatment from a unit medical officer and that was all. In such a case we have to weigh all the factors, Mr. Carter.

Mr. CARTER: I think there is one point in connection with that situation that should perhaps receive a little more consideration than it has up to now.

Persons who have medical facilities at hand tend to make use of them and thereby acquire the habit of going to the doctor frequently whereas another person living in an isolated community who has no doctor available and cannot get in touch with one simply ignores his aches and pains and does not bother to see a doctor. I think such a situation applies to a great many of the people living in isolated communities in Newfoundland. They do not have the documentation that another person would have living in an area where medical facilities were readily available.

I certainly believe that some of the residents of Newfoundland suffer as a result of that situation.

Mr. MELVILLE: That may be so, Mr. Carter, however, I have previously expressed the statement that many decisions of the appeal board are granted on the credibility of the applicant and his witnesses. The board members are impressed by a member of the forces who comes forward with regard to a claim and tells a straightforward story of what happened during his service and the period subsequent thereto. Many, many claims are granted on the basis of a straightforward and credible story.

Mr. MCINTOSH: How does the board determine the eligibility of an applicant who has been seconded or attached to another allied force where the records are not as complete as are the records of the Canadian forces? I am thinking particularly of some of these R.C.A.F. personnel who were attached to R.A.F. airfields in the United Kingdom. They may have had minor ailments at that time, were hospitalized, and were not given too much consideration due to the fact that there were casualties coming back from the continent. I have in mind a case of a person who had a heart condition which was apparently agitated through the service over there. Through lack of records the board turned down his claim, but he was later given a burnt-out pension.

Mr. MELVILLE: There is a very distinct difference here which we must bear in mind. The case which you cite was of a person who served with the British forces.

Mr. MCINTOSH: No. He was in the Canadian forces attached or seconded to some British airfield.

Mr. MELVILLE: And the disability probably was incurred while serving with them?

Mr. MCINTOSH: Yes.

Mr. MELVILLE: We find that the records maintained by the British ministry—who have an office in Ottawa—in respect of pensions are very, very good. However, there may be some difficulty in obtaining other records. All we can do is help him. Through the director of war service records here we have access to records, not only documents but also day books of the hospital records and there are many other records.

We might go back, with the information we have been able to obtain from the applicant, to the United Kingdom, giving the date and place and asking that a search be made of the records of the unit to see whether or not anything can be done to support his claim. We receive excellent cooperation and help in many of these cases.

Mr. MCINTOSH: You are satisfied that the information which you obtain is sufficient and that they keep their records in good condition?

Mr. MELVILLE: The British records are excellent and we have access to them; they are in first-class condition the same as are our own.

Mr. MACRAE: Mr. Chairman, I wish to raise a point concerning the relative treatment accorded a common-law wife under the Pension Act as compared to the War Veterans Allowance Act. It would seem to me that a woman in such a union is accorded much better treatment under the War Veterans Allowance Act.

I have a case of a World War I Veteran who married during the first world war, separated, lost touch with the woman he married, and later entered into a common-law union in which there are six or seven children involved. He is an 80 per cent pensioner and cannot obtain any pension for either the woman or the children, as I understand it, today—and if I am wrong in my understanding, I may be corrected—unless he can furnish proof, which would involve a great deal of expense, that his first wife is dead. As I understand it, under the War Veterans Allowance Act there is not the same requirement. I believe what is being done in this case, in order to protect the woman and the children, is that the Legion is trying to establish a war veterans allowance eligibility.

I do not bring this matter up to encourage such unions, but rather to protect those who are in that particular state.

Mr. MELVILLE: We abide by the laws of our country. Let us go back to the Pension Act. If a man on enlistment was living with a woman who was publically represented as his wife and had been so for a reasonable period prior to his enlistment, then if his death is incurred during service that woman is pensioned. It seems to me that the reason this provision is in the Pension Act is perfectly clear. This man was living with, supporting and maintaining, a woman at the time that the state took him away to serve his country. Therefore if, during his service for the country, death intervenes the state must continue its responsibility and make provision for that woman.

However, if a member of the forces returns to Canada and carries on with his way of life and eventually associates with and takes into his household a woman with whom he lives in a common-law relationship, there is no authority in the Pension Act by which we may pay an additional pension for that woman.

We have any number of cases, as I think the members of the committee will appreciate, where a marriage has taken place many years ago. It may have been in the United Kingdom. We assist the applicant by having inquiries made through the overseas office of the Department of Veterans Affairs in London, England, to see whether or not there is a record of a marriage. Having found the record of the marriage, we then have inquiries pursued, also through the cooperation of the British ministry, in an endeavour to find out whether or not that woman is still alive. If she is—and in many cases we have been able to track down these persons—then in that case we cannot grant a pension. There is only one course open to him; that is to obtain a divorce. There is no authority in the Pension Act by which we can recognize common law unions which have been entered into following discharge from service.

There are quite a few cases where the member of the forces is unable to find any trace of his wife; he has advertised and has pursued diligent inquiries and nothing has been found. He then makes application to the provincial courts for a presumption of death. If that presumption of death is granted and he then marries the woman with whom he is living in a common law relationship, the pension commission will pay a pension to her from the date of the marriage.

Mr. CARTER: Is there any provision in the pensions commission, or anywhere in the department, to assist a widow in establishing her claim? I know of a case of a pensioner who was a widower and married a widow. This widow's husband had been drowned many years previously. When the pensioner died she applied for a pension because her husband was a 100 per cent pensioner and eventually she received it. But when this woman applied for a pension she herself had to establish the fact that her previous husband was dead, in other words that she was a widow when she married a veteran. That woman was not in a position to do this. I did it for her and it took me months and months to gather up the information and finally prove that she was a widow when she married this pensioner.

There should be some other agency to assist people like that.

Mr. MELVILLE: There are two agencies. One is the representative of the commission, the pension medical examiner locally, who will institute inquiries; the other is the district pensions advocate who is always ready and anxious to assist any applicant in the advancement of a claim to pension.

By the same token I am quite sure if these people went to the provincial command of the Legion they would find that the Legion is anxious to extend their facilities.

Mr. CARTER: My information was that she did not know about that. She made application and was told that she could not get the pension because she could not establish that her husband was dead when she married the pensioner. There was no information given to her and the burden was left with her to prove that she really had been left a widow.

Mr. MELVILLE: Well, it is very necessary that the commission have proof because we cannot pay pension without having the necessary authority. We have cases following death where the commission has been paying additional pensions on behalf of a wife.

Mr. CARTER: I want you to understand that I am not quarrelling with you, but what I am trying to establish is that widows of pensioners generally should know that in cases such as this there are agencies which will assist to establish their claim. When I brought it before the local authorities they did not seem to think it was their business to find out or help this woman establish her claim.

Mr. MELVILLE: It is not only the persons I have mentioned, Mr. Carter, but you will also find that the welfare services branch of the department,

who have welfare officers to cover the whole of that particular area within that district, will be ready and anxious to call on that widow, to get that information from her and to pursue any inquiries to develop her claim. That is what they are there for and they are ready to do that.

Mr. CARTER: There are three agencies,—the welfare services branch, the pensions advocate and the commission itself.

Mr. ROGERS: Mr. Melville, do you find that the medical records of World War II are more up to date than those for World War I?

Mr. MELVILLE: Yes, there is no question about that. The commission had very close contact with the directors of medical services of the three services—navy, army and air. They know our requirements, and instructions were issued by them. Records are certainly much more complete for World War II and subsequently than they were for World War I.

Mr. HERRIDGE: Some years ago in the committee, when the committee was discussing the advancement of the marriage date line for eligibility for wives and dependents, there were two points of view generally—one was with a certain amount of pessimism—namely is it worth while owing to the aging of the veteran, and the other one, was there evidence to the effect that pensions had been abused, from experience, as a result of the civil war in the United States. However, the prevailing feeling of the committee at that time was of admiration for the aging veteran who might marry, and the date line was advanced. Could the chairman of the commission tell the committee what numbers of the first world war veterans are being married in recent years, and could he also give the committee some idea of the numbers of children as a result of those unions.

Mr. MELVILLE: The restrictive date line relates to World War I veterans. Prior to the amendment to the act last December additional pensions could not be paid on behalf of a wife of a World War I pensioner, if marriage took place after the first day of May 1954, nor of children born of that union. The average age of the World War I veteran today is about 68 or 69. I think that answers the closing part of Mr. Herridge's question. The numbers who benefitted were beyond what the commission estimated.

Mr. HERRIDGE: The committee was correct in its anticipation then.

Mr. MELVILLE: A number of aged World War I disability pensioners had not remarried and were afraid to take on the additional responsibility without some compensation. When the date line was removed altogether by the amendment to the statute last December a great number married, and a number who had married from the 1st day of May 1954 and of whom we had kept track were paid additional pension. The actual number was 528. This was the actual figure, when I went west two months ago, of the number of World War I pensioners who had married or remarried and who are now being paid additional pension on that account.

Mr. HERRIDGE: Information you have just given us would indicate that World War I veterans are more vigorous than those of World War II.

Mr. MACRAE: What is the cut-off date now?

Mr. MELVILLE: There is no cut-off date. The restrictive date was removed entirely. Not only was it removed entirely by the amendment of last December, but it is made retroactive to the 1st of October 1957, provided marriage had taken place prior to that date. So there is no restriction with regard to marriage or remarriage of a World War I veteran. He may receive additional pension for his wife.

Mr. BEECH: Does the pension commission recognize American divorces?

Mr. MELVILLE: No, we conform to the laws of Canada.

Mr. WEICHEL: In the case of a veteran being lost in the theater of war, is there a time limit of seven years in which the widow cannot marry again? Is that right?

Mr. MELVILLE: This is a case of a presumption of death, Mr. Weichel. Do you mean a member of the services who was serving and is missing?

Mr. WEICHEL: That is right.

Mr. MELVILLE: The famous case is that of Squadron Leader Mackenzie who was serving with the forces in the theater of operations in Korea. He was reported missing. The Department of National Defence continued allowances on behalf of his dependents for an appreciable period and then when word did come through—it was well after a year—that he was interned, in enemy hands, then when he was discharged from service the whole thing was taken care of. So their interests are taken care of.

Mr. WEICHEL: What would happen if he did not show up in the seven years, the wife married again, and then he did show up?

Mr. MELVILLE: That eventuality has not arisen with the Department of National Defence. When the department issues an official presumption of death, the commission act on it and the pension is paid to the widow. But the responsibility is with that department, not with us.

The CHAIRMAN: Are there any further questions, gentlemen?

Mr. MELVILLE: Maybe I could amplify the answer I gave to Mr. Beech, which was too broad, regarding obtaining divorces in the United States. If it is substantially a good divorce and he was living within the jurisdiction of the state which granted the divorce, and domiciled there, then we would accept it.

Mr. HERRIDGE: I have a question which I think will be of interest to all members of the committee. Could the Brigadier explain the arrangements that are made for the examination of pensioners who reside in other countries such as the United Kingdom and the United States, if an examination is required by the pension commission or applied for by the veteran himself.

Mr. MELVILLE: We have a doctor in London, England, who carries out examinations for us in the immediate area. Throughout the rest of the United Kingdom examinations are arranged for and carried out through the great cooperation of the British Ministry of Pensions and National Insurance.

In the United States we receive whole-hearted support from the United States Veterans Administration and they will carry out examinations for us or they will give treatment to Canadian pensioners living in that country for conditions for which they have pension entitlement. Throughout other parts of the world the situation is a little different. But we do get medical service from many doctors—foreign ones as well. We get translations of them, and take whatever action is appropriate. But if the pensioner removes himself from the areas in which facilities are available to him, then that is part of his own misfortune. We do everything we can, but we cannot do the impossible.

Mr. HERRIDGE: What happens in the case of a pensioner who dies in a country other than Canada and who, if he lived in Canada, would be entitled to a headstone? What does the department do in that case?

Mr. MELVILLE: I think you would have to ask that question of the department. The commission does not supply headstones. There is authority in our act which enables the department to place a headstone in certain circumstances; but I prefer, Mr. Chairman, that the question be asked of the department.

Mr. MACDONALD (*Kings*): I would like to ask Brigadier Melville a question relating to the cases of people who served under the British Army loan or with the R.A.F. You mentioned earlier that you had great cooperation from

the British counterpart of the Department of Veterans Affairs. Are copies of their records automatically sent from that ministry to your commission for filing?

MR. MELVILLE: If the member concerned was living in Canada or in the United States his records are in the office of the representative of the British ministry in Ottawa. So that they are readily and immediately accessible to us if it is a claim for us.

MR. MACDONALD (*Kings*): Those copies are not sent automatically?

MR. MELVILLE: No, they are their files and their records, and they are maintained by them.

The CHAIRMAN: Does that complete the questioning, gentlemen?

Items 489 to 491 agreed to.

That completes consideration of items under the Canadian Pension Commission. Thank you very kindly, Brigadier Melville.

MR. MELVILLE: Thank you Mr. Chairman and gentlemen.

The CHAIRMAN: We now have the chairman of the veterans bureau, Brigadier Reynolds, with us. Perhaps before we proceed to that item, which is item 480, we should deal with some of the questions which have been hanging fire. Colonel Lalonde, we are going to deal with some of these questions which have been postponed. Could you come forward for a moment. The deputy minister has some replies to outstanding questions.

MR. L. LALONDE (*Deputy Minister, Department of Veterans Affairs*): The first question to which I should like to reply now was asked by Mr. Jung at page 37 of the record. It had to do with the rehabilitation program, and we were asked to provide a breakdown by professions of the veterans who have gone through the university training program, to give the cost by profession, and also what follow-up the department had made of the success achieved by these veterans as a result of their qualifying under the rehabilitation program.

We indicated previously that approximately 60,000 veterans were approved for university training and we know that approximately 30,000 of those trainees graduated from approved courses. This number includes those who graduated while they were in receipt of training allowances and on whose behalf we were paying tuition fees, as well as those who graduated after having exhausted their entitlement to benefits under the act, but went on on their own.

I would like Mr. Chairman, with the consent of the committee to put on record a table showing the number of graduated veterans by profession. I do not know whether the committee wishes me to recite the list before I place it on record.

An HON. MEMBER: Let us table it.

ESTIMATES OF NUMBERS OF WORLD WAR II VETERANS WHO GRADUATED FROM CANADIAN AND FOREIGN UNIVERSITIES, BY TYPE OF COURSE, UNDER THE VETERANS REHABILITATION ACT, 1945, DURING THE PERIOD NOVEMBER 1, 1941 TO SEPTEMBER 30, 1957.

Course	Number of Veteran Graduates
Agriculture.....	1,845
Horticulture.....	16
Arts and Science.....	8,981
General.....	8,078
Social Science.....	604
Political Science.....	233
Languages.....	66
Commerce and Business Administration.....	2,715
General.....	2,674
Industrial Relations.....	39
Education.....	2,298
General.....	1,283
Teachers and Instructors.....	1,015
Engineering.....	5,727
Chemical.....	424
Civil.....	767
Electrical.....	954
Industrial.....	23
Mechanical.....	3,138
Mining.....	421
Architecture.....	312
Forestry.....	621
Law.....	1,729
Medecine and Related Fields.....	2,977
Medicine.....	2,297
Dentistry.....	457
Optometry.....	159
Chiropractor.....	4
Osteopath.....	15
Physiotherapy.....	24
Occupational Therapy.....	16
Laboratory Technician.....	5
Health, General.....	1,824
Health Nursing.....	415
Household Science.....	104
Health and Physical Education.....	137
Pharmacy.....	775
Veterinary.....	393
Theology.....	462
The Arts and Related Fields.....	493
Art.....	186
Music.....	81
Journalism.....	93
Librarian.....	92
Interior Decorator.....	41
TOTAL GRADUATES.....	30,000

Research and Statistics Division.
July 2, 1958.

Mr. LALONDE: This table shows the number of veterans who graduated in each profession or trade under various headings.

As far as the follow-up program is concerned, the department checked on the employment prospects of veterans approved for university, and in doing so referred to their employment within a year after leaving university. We did not think it would be possible to follow them through their career for years to come. We did not think that was necessary as long as we knew whether they had been reestablished or not.

Having done this, we found that on the basis of a survey of those who completed a degree course and accepted employment in line with their

training, 73 per cent reported that they had good employment prospects within that year. Of those who did not complete their university training but who accepted employment in line with the partial training that they had received up to that time, 45 per cent reported that they had good employment prospects. It is evident that those who completed their courses were better off than those who did not. I think, however, that the figure of 73 per cent for those who had completed the training is perhaps on the low side because we do not know how many of those subsequently found employment in line with their training. They did not report to us.

As we indicated earlier the amount expended on allowances and tuition fees for university training totalled \$142 million.

We have studied the table showing the breakdown by profession and I am sorry to say that it is not possible for us to break the total amount of \$142 million into the cost for each profession because we cannot use averages due to variations in the fees for the different courses followed, not only between one course and another but between the various universities involved. Also, we could not use an average because there is a great deal of variation in the time requirements to graduate between one course and another.

We have tried to answer the whole question but that part of the information is impossible to supply.

The CHAIRMAN: That table will be printed in the text of the report for today, I understand Mr. Lalonde.

Mr. LALONDE: The next question was asked by Mr. Rogers on page 58 of the report. I gave at that meeting an estimate of the number of veterans of both world wars who would be eligible for war veterans allowance if the act was open for those with service in Canada only. I also gave an estimate of the cost of that proposal. Mr. Rogers asked if we could break down those figures between World War I and World War II. What I have done is to take out from the total figures that I gave, the numbers that apply only to World War I. On the basis of the same assumptions that I mentioned at the previous meeting, in the year 1958—that is, as of now—the number of World War I veterans who would be eligible, if that provision was amended, would be 15,800 veterans for an additional annual liability of \$14,600,000.

The number of widows of World War I veterans would be 4,000 for an annual additional liability of \$2,900,000. This is based on the fact that for a total enlistment in World War I of 626,636, there were 375,679 who had what we call overseas service under the War Veterans Allowance Act and 250,957 who had service in Canada only. That gives a proportion of 59 per cent of the total enlistment with overseas service and 41 per cent without overseas service. And the proportion is related in the figures I have just given you to the total number of World War I veterans now receiving the allowance. The proportion is the same. Is that satisfactory?

Mr. ROGERS: If it was opened wide, they would not necessarily all apply, would they?

Mr. LALONDE: This figure of 15,800 is in the same proportion to the total eligible as is the proportion of those who applied and received the allowance to the total number who had overseas service. We have to make an estimate, so we take the same proportion.

The next question was asked of Mr. Rutherford, and I will ask him to give you the answer.

Mr. T. J. RUTHERFORD (*Director, Soldier Settlement and Veterans' Land Act, Department of Veterans Affairs*): It is a question, Mr. Chairman, by Mr. Regnier. The question was: "How many applications for assistance were turned down last year." During 1957-58 there were 7,495 applications for qualification and 645 of these were declined. There were 3,280 applications

for financial assistance; that is after qualification, and 307 applications were declined. In addition, there were 820 applications for additional loans under part III of the act by full-time farming veterans who were already settled and 14 were declined. Mr. Montgomery also asked for a list of the members of the regional advisory committees. I find the list consists of 455 names. They are the original appointees. A few were appointed later but not too many. I think it would be very important, gentlemen, that this list be purged before it is published because I know a great many of these gentlemen are now deceased. The only way we are able to do that is to get the information from the districts. That was requested immediately after the last meeting, but naturally we have not been able to obtain it yet. I do know a great many men on this list are now deceased. We only keep these up-to-date lists at the regional district offices. Would that be satisfactory?

Mr. LALONDE: The next question had to do with Goodyear stitchers in our prosthetic shop in Toronto. I will ask Mr. Mace to answer that question.

Mr. ORMISTON: I was looking through the record and I was quoted as saying \$750 for rental. It should be \$7.50 per month rental. It was just a misinterpretation on the part of the reporter.

Mr. HERRIDGE: Or the printer.

Mr. F. T. MACE (*Assistant Deputy Minister, Department of Veterans Affairs*): In actual fact Mr. Ormiston was not far out because the total annual rental is \$725.

I find the department has been interested in the renting of stitching machines since 1917 and I have had to go back into history to obtain this information. I also found that the United Shoe Machinery Company of Canada, which is a subsidiary of the American company, had a virtual monopoly on the boot-making machines. I think it is a fact in many boot-making shops you go into that they all have the same machines, patent control plays a large part in this matter. Whether we liked it or not, we had to rent machines and we did that from 1917 on. However, I believe in 1956 as a result of an inquiry by the combines investigation branch in regard to the parent American company, the United Shoe Machinery Company of Canada then offered to sell us these machines. We wanted a machine and they quoted a sale price or offered a rental basis. We noted this fact and realized maybe the situation had changed; so in 1956 we decided to inquire as to the availability of these machines. We sent our inquiries to seven firms and as a result of that we had four tenders submitted from different firms. We bought a machine from the Landis Machine Company of St. Louis, Missouri. We are aware now there are different machines available and, as a matter of fact, the machine we purchased was considerably cheaper than the other one. As we find it necessary to replace these machines, we are now going out on the open market to buy them on open tender.

Mr. ORMISTON: That is why I asked.

Mr. MACE: We will do it only over a period of time, because we have paid the installation charges on the machines we have and we will continue to pay the \$7.50 rent monthly. Obviously it would be uneconomic to immediately buy all these machines, because we have quite a few of them.

Mr. ORMISTON: Is it permissible for you to record the price at which this company will allow you to purchase this machine?

Mr. MACE: Generally speaking the department does not give out quoted prices, as we consider them confidential information. I should point out that prices quoted would be dependent to some extent on delivery points.

Mr. HERRIDGE: A splendid illustration of the anti-social nature of monopolies.

The CHAIRMAN: Are there any further questions?

Mr. LALONDE: I believe the only question on record which has not been answered was asked by Mr. McIntosh at the previous meeting, when he referred to information about expenditures for the fiscal year 1957-58, which are not shown in the estimate book, but where the estimate for 1957-58 is shown.

Mr. McINTOSH: I object to comparing estimates with estimates. I think we should be comparing estimates with expenditures. If we are trying to cut down in any way, I have not seen any action in that regard as yet, and I assume this is one of the purposes of this committee. If the administration costs can be cut down, we should be able to compare what you are going to spend this year with what you actually spent last year. Last year's estimates to my mind do not mean a thing to us.

Mr. LALONDE: Mr. McIntosh, we have that information and Mr. Mace can distribute it. However, sir, I would point out that in estimating our requirements for 1958-59 we use our expenditures for the previous fiscal year as a guide. But we must keep in mind that conditions vary from year to year; and therefore where we had estimated for a certain amount in the previous year and did not need to spend that money, we have to look forward and say, "this year, will we need to do that or not". So, you will find there are variations between expenditures for the last year and estimates for the next year.

Mr. WEICHEL: May I mention this for the record. In my riding we have Waterloo college, which is affiliated with Western university. Recently in their curriculum they have included an engineering course. At the present time they have 700 students and hope by 1965 to have an enrolment of 2,500 students. They are also building nineteen new buildings and hope in that time they can have the status of Waterloo university. I thought that might be of interest.

Mr. LALONDE: Mr. Weichel, we know about this, because we have some students at Waterloo college taking courses under the Children of War Dead (Education Assistance) Act. We have had dealings with the college.

Mr. WEICHEL: I expect the president here in a couple of days.

Mr. BEECH: I do not know whether this is the appropriate time to mention this or not, but it seems to me a growing number of air crew personnel are being discharged now who find themselves unable to obtain employment. I am wondering if our rehabilitation scheme extends to the armed services of today in the matter of courses and this sort of thing?

Mr. LALONDE: I take it you are referring to those who serve in the regular forces and who had no service in World War II?

Mr. BEECH: Some of them probably have, and have carried on over, but have been discharged since.

Mr. LALONDE: Those who have had no service in World War II and are serving in the regular forces are not considered as veterans when they come out of the regular forces and they do not come under our department.

Mr. BEECH: Then it is a matter for the Department of National Defence?

Mr. LALONDE: That is right.

The CHAIRMAN: Before calling on the Veterans Bureau, may we take up a few of the queries? I believe Mr. Robinson has a question about the last post fund.

Mr. ROBINSON: Perhaps I might receive some information from your department concerning the last post fund and who administers it?

Mr. LALONDE: The last post fund is administered by a board of civilians who are elected under the authority of the federal charter which created

the fund and who serve on a benevolent basis. They have their headquarters in Montreal and they make their own rules for administration.

They were empowered to do this under the charter which set up the fund and the board.

Mr. ROBINSON: The information is to be found on page 59 of the second meeting of our committee. There it mentions the means test as far as the war veterans allowance is concerned. As we know, one may receive the war veterans allowance and still own a home to the extent of \$8,000.

In case that veteran should die, his funeral expenses are looked after. But there is a case in which I am interested where a chap passed away who did not own his home but rented it. He had some insurance, but nothing to come up to the amount he was allowed to have if he had owned his home.

In his case the widow had to pay to the last post fund. I know we cannot do anything about it here, but I would like to get it on the record.

Mr. LALONDE: As I told the committee the other day, I am informed that if a veteran with dependents dies leaving some insurance, let us say, to the extent of \$1,000, then the last post fund will pay, if there are no other cash assets, of course. But if there were total cash assets of over \$1,000, then the last post fund would ask the next of kin to pay that portion of the funeral costs which would be over \$1,000 of cash assets.

In other words, they would not reduce the cash assets by claiming payment for a funeral below \$1,000.

The reason this is not applied to a home is because the last post fund considers that a home is not a negotiable asset and they should not force the next of kin to sell a home in which they may be living, in order to pay for the funeral. That is why there is this exemption.

Mr. ROBINSON: It appeared to me to be an inequity, where it penalized the widow in this case. She was in a rented home.

Mr. LALONDE: Actually the same condition exists under the War Veterans Allowance Act. It is done partly for welfare reasons so that people who own a roof over their heads are not forced to sell that home. The same situation exists in both cases.

The CHAIRMAN: I believe Mr. MacEwan has a question.

Mr. MACEWAN: Yes, I would like to ask about treatment services. I understand that provision was made for payment of medical and hospital bills outside of Canada in certain cases as set out by statute.

Dr. J. N. B. CRAWFORD (*Director General, Treatment Services, Department of Veterans Affairs*): With respect to the pensioner, sir, the pensioned veteran for his pensioned disability, we are responsible for the treatment of this condition, and for the total treatment wherever the pensioner may be, any place in the world.

We have a very simple arrangement with the United Kingdom as Mr. Melville has told you. We have a doctor over there so we have some administrative control.

Actually the health plan in the United Kingdom is such that this treatment is readily available.

In the United States we have a very close liaison, which has been described to you, with the Veterans Administration. Our pensioned veterans may gain access to the Veterans Administration hospitals in the United States. It is a very fine system indeed.

We pay whatever we have to pay to the Veterans Administration for the care which they provide.

Where a man has been unable to get in to a Veterans Administration hospital in the United States, or similarly in England, or similarly in Europe and where private medical fees are involved, we pay them.

We attempt to assess them, of course. I think we are required to do this, to see that the charges made are just and reasonable. But we have in fact paid for whatever treatment is provided outside of Canada for pensioned veterans for their pensioned disabilities.

Mr. MACEWAN: I was thinking of a pensioner living in Canada who thought it necessary to go, let us say, to a clinic in Boston to be treated. I understood in such a case that certain amounts are allowed.

Mr. CRAWFORD: You mean that he lives in Canada, and we feel that suitable treatment is not available in Canada?

Mr. MACEWAN: Yes.

Mr. CRAWFORD: Yes, we have done this, and we do pay; but we are doing it to a lesser extent as the years go by, because I am happy to say that treatment in Canada—either in our own system or elsewhere in Canada—is of a very high order, and we feel it is less and less necessary to send people out of the country for treatment.

Mr. McINTOSH: With respect to the item on page 2 of the sheets we have, and that amount of \$6 million, about half way down the page, the second, item 4, does that cover the doctor of choice plan?

Mr. CRAWFORD: That is right. This is the doctor of choice plan which I was describing to you to some extent when I last spoke. Not all patients in Canada are treated in our hospitals. We have veterans, pensioned veterans—for pensioned disabilities—or W.V.A. recipients hospitalized in other hospitals, and with respect to them we have a contract under which we pay a per diem rate. This is the amount we require in order to provide for this service.

Mr. CARTER: Would Dr. Crawford give me the cost or the amount paid for treatment of Newfoundland veterans in Newfoundland where there are no veterans hospitals?

Mr. CRAWFORD: I could do that quite easily.

The CHAIRMAN: Are there any further questions?

Mr. HERRIDGE: I would like to ask Mr. Lalonde a question about headstones. What does the department do if a veteran dies in another country—other than Canada—and over whose grave a headstone would be erected if he lived in Canada? Secondly, if a veteran dies in another country, does the Canadian Pension Commission inform or notify the appropriate person in the department to see that necessary action is taken?

Mr. LALONDE: The regulations are known as the veterans burial regulations, and they permit us to provide grave markers to certain veterans such as those who died of their pensionable disability or those who died in our hospitals in Canada only. We do not provide grave markers outside of the country.

The CHAIRMAN: Now, gentlemen, are there any further questions before we call on Brigadier Reynolds?

Mr. ROGERS: Is the chairman of the war veterans allowance board going to be here next Thursday?

The CHAIRMAN: He is here right now, Mr. Rogers.

Mr. ROGERS: Yes, I have been wondering about the means test. You are allowed to have real estate to the value of \$8,000 and liquid assets to the amount of \$2,000.

How is the real estate value determined? Is it the actual value, the appraisal value, or is it the assessment value?

Mr. F. J. G. GARNEAU (*Chairman, War Veterans Allowance Board*): We have always had some difficulty in arriving at the valuation of property in which real estate is involved. But a few years ago we decided upon what we felt was a fair formula. This was to consider as the value of the property,

either the amount of the actual investment of the veteran in that property, or the assessment placed upon it by the municipality, whatever it was, wherever the veteran lived, and whichever was the greater.

In other words, if the veteran had invested in his property \$7,000 of actual expenditures and so forth, and the assessment was \$4,000, then the value of that property for our purpose would be considered as \$7,000. Anyway that is under \$8,000 which is exempt under the Act.

I might say that in some cases it was very difficult to assess certain property which had been left by way of inheritance or gifts.

So we took as a fair yardstick the valuation placed on it by the municipality, wherever he lived. It is practically impossible to have a standard evaluation yardstick, as you can readily understand, applicable all over Canada. This evaluation varies with municipalities, counties and so on where the veteran lives. We have had, I would say, remarkably few or hardly any complaints at all on that score. Apparently the veterans have been satisfied in that regard.

I believe in some cases when a municipal evaluation has been made the veteran through an advocate, or a representative may appeal to the assessment officer, and generally a method of adjustment is found so the allowance is not interfered with.

Mr. ROGERS: Do you believe the same situation exists in regard to a quarter section of land? When a veterans has a quarter section of land, do you take the assessment value?

Mr. GARNEAU: I do not particularly have in mind farmers or landowners but so far, that is the yardstick we have been using. We have had very few complaints, I might say.

A farm would be valued by the municipality at so much. That evaluation may be higher than the veteran's investment, but by the same token the veteran's investment might be higher. So we apply whichever is the greater of the owner's investment or the valuation of the municipality.

We have had few cases of serious complaints in respect of recipients living in rural municipalities and on farms as compared to the over-all number of recipients. If there are any individual cases of that nature I would be very glad to look at them to see what could be done.

Mr. ROGERS: I would like to ask another supplementary question. If a veteran on a quarter section farm found he had reached the stage where he could not carry on and the investigator came out to take his application, one of the first things he would tell the veteran would be to sell his farm.

Mr. GARNEAU: That is possible, yes.

Mr. ROGERS: He would advise the veteran to buy a house in town. As you are aware, the assessment value of real estate allowable is governed by provisions and can only be so high, usually under \$8,000. That same quarter section might sell for \$14,000, and the fact that it does precludes the applicant under the War Veterans' Allowance Act.

Mr. GARNEAU: May I interrupt here? We do not take into consideration the potential sale value of the property at the time of application. We still stick to the amount the veteran invested in that property. The property may well be worth \$15,000 because a road is being built through it, but until it is actually sold—we are not dealing in futures, so to speak—and we just take the actual investment at the time of the application, or the assessment which is made by the municipality.

We know of many cases of farm lands or urban properties that have a potential sale value of \$15,000 or \$16,000, and actually those properties cost originally \$6,000. We do not use those potential sales values and as a result refuse an allowance. If such a case exists I would be very glad to re-consider it.

Mr. ROGERS: I am sorry to go further with this question but I want to carry it just a bit further.

As you will realize you cannot buy a house in town today for less than \$12,000 or \$13,000. This type of house was probably worth \$4,500 13 years ago. If a veteran sold his farm for \$14,000 and then bought a property in town for say \$12,000, or perhaps for the whole \$14,000, and then made an application for war veterans' allowance would the investigators set an assessment value on this new property, or would they take the price the veteran paid for it as the value?

Mr. GARNEAU: The investigator would take whichever figure was the greater, the price he paid for it or the municipal assessment, according to our present methods.

Mr. ROGERS: If the investigator took the \$14,000 which the veteran paid for this new property this would preclude an application for war veterans' allowance.

Mr. GARNEAU: Not necessarily. That would not preclude an application.

Mr. ROGERS: That is exactly the point I would like to get cleared up.

Mr. GARNEAU: \$14,000 is a rather large amount of money. In a case such as you have described we assess only the amount in excess of \$8,000 at five per cent for the purpose of income. In other words, we reduce the amount of allowance payable—within the ceiling, of course—by five per cent of the extra amount. If a veteran bought a property for \$12,000, \$200 would be regarded as income for the purpose of the War Veterans' Allowance Act.

Mr. ROGERS: I think we must look at this act again because values today are certainly not the same as they were a few years ago. A person just cannot buy a property in town that is fit to live in for less than \$12,000.

Mr. GARNEAU: At the last session of parliament the exemption on property was raised from \$6,000 to \$8,000. I can only suggest that this is a matter which is in your hands, sir.

Mr. HERRIDGE: Colonel Garneau, before your inquisition terminates I would like to ask you a question.

I find there is an increasing number of recipients of war veterans allowances who are taking delight in drawing to the attention of their member of parliament the fact that a member of parliament can draw a pension in any country in the world when he retires, and understandably so, while the recipient of a war veterans' allowance must remain in Canada.

Several members of parliament, associated with different political parties, have suggested that war veterans' allowances should be paid to veterans living outside of Canada because of family or health reasons. As yet we have not been successful in that regard.

I wanted to ask you, Colonel Garneau, if you had found that a number of cases of this type exist?

There is a veteran living in my constituency who, owing to a certain rather unusual family reason—his wife insists on living in England—is receiving an allowance as a single veteran.

An Hon. MEMBER: He is lucky.

Mr. HERRIDGE: That I think depends on your analysis of the situation.

There are a few cases where veterans, because of health reasons, must live outside of Canada. I am familiar with one such case in my constituency. I think Colonel Garneau is also familiar with that case. This matter was settled by the veteran's demise.

However, have you noticed a growing demand, on the part of veterans, coming within the two categories I have mentioned, for war veterans' allowances to be paid outside of Canada?

Mr. GARNEAU: Frankly I cannot say that I have, sir. I have noticed an occasional case but I would not say there has been an increasing demand even following the recent amendment to the legislation allowing a six month period of absence from Canada during which the full allowance would be paid. You will recall that this amendment was passed at the last session of parliament.

A veteran may live outside of Canada for six months in any calendar year without losing his allowance for the time he was absent. Although the allowance must be suspended while he is away it is readjusted retroactively when he returns.

Mr. HERRIDGE: You say there are very few cases which have been brought to your attention?

Mr. GARNEAU: Yes; I would, frankly, say so.

Mr. HERRIDGE: Then you would say, if the law was amended in that respect, that the cost to the national treasury would be very slight?

Mr. GARNEAU: That I am not prepared to say exactly. It is rather a hypothetical question I might say. There is another thing. I have been a fairly long time with the War Veterans Allowance Board. I will give this as a statement of policy dating back to 1930 when the act was passed. I believe that the question of paying allowances outside of Canada was discussed at that time and the idea was since it was, you might say, public money given for welfare purposes and not as a right, as is a pension or something like that, that the money should be spent in Canada—that it was payable and spendable, you might say, in Canada. There are more practical aspects to this matter. As long as the means test exists, if allowances were paid outside of Canada it would mean that in England, France, Belgium, or wherever the eligible veteran might choose to reside, the control—if I may use a harsh word—of the means test would become very difficult to apply, if not almost impossible except at high cost involving a lot of complicated machinery and using the services of the investigators of the welfare services of the country where the man resides. There is, therefore, it seems more to that problem than meets the eye.

Mr. HERRIDGE: I remember once discussing the question of the national health insurance with Mr. Butler, a member of the British cabinet. He mentioned that they gave treatment to all personnel visiting England. I said to him that that must be expensive and he replied, "We think of the humane questions involved and also that the cost would be less than the cost of applying the means test. Do you think that the same thing would apply to the payment of war veterans allowance to persons overseas?"

Mr. GARNEAU: I am sorry; I am not sure that I understood you correctly.

Mr. HERRIDGE: The point which Mr. Butler made was this: I said to him, "You are giving treatment to American and Canadian citizens free at the expense of the British taxpayer," and I asked him "Why do you do that?" He replied that the cost of administration in determining whether or not that person was entitled to treatment would be greater than the cost involved in giving them the treatment. Do you think that the same principle would apply in respect of administering the payment of war veterans allowance to veterans overseas?

Mr. GARNEAU: I would not be prepared to answer that off the cuff. I think that some research would be necessary. Frankly, I have never made a study of that approach.

Mr. BEECH: I thought the suggestion was that most of the recipients of war veterans allowance were moving to British Columbia. I never heard of anyone leaving British Columbia.

Mr. HERRIDGE: Nor have I.

The CHAIRMAN: Are there any further general questions? It is twelve o'clock.

Mr. McINTOSH: Mr. Chairman I have some general questions which may require an answer later on when the department has had time to get an explanation. These questions are in respect of the statement which has been produced. Do you wish me to ask my questions now?

The CHAIRMAN: Yes.

Mr. McINTOSH: I have just glanced over the figures for the items of travelling expenses for the staff as compared to the expenses for telephones and telegrams. On page 2 I notice there is an amount of \$154,000 in the estimates for telephones and telegrams and that the amount for travelling expenses is \$231,000. As you go right through the whole thing it seems that these figures are all increased. Is it necessary that these figures be that high?

I also notice on the bottom of pages 2 and 3 that in respect of the amounts of recoveries from outside organizations the estimates are down from the actual amounts recovered last year. Why were those figures decreased in your estimates this year by an amount of approximately \$446,000?

The CHAIRMAN: Are there some further questions?

Mr. McINTOSH: Just in respect of those figures.

Mr. LOCKYER: I was wondering about this item, on page 2, in respect of compensation for loss of earnings?

Mr. LALONDE: This is paid to pensioners, or certain groups of other veterans, who are called in for medical examination either by the pension commission or by treatment services. Usually it is for either a half-day or a day, but always for a short period. Sometimes they are paid by the hour and when they come into our hospitals they lose a certain amount of their earnings. We compensate them on the same basis as if they were a 100 per cent pensioner during that time. The total cost for that compensation comes to about \$57,000 a year.

Mr. WEICHEL: Would that include their train fare, and so on?

Mr. LALONDE: No. It is only compensation for loss of earnings.

Mr. MACE: Mr. McIntosh, you made reference to travelling expenses and telephone and telegram expenses. First of all, I would like to say that there is no relationship between these two expenses in that they should be in any particular proportion to each other. The telegram and telephone expenses are in respect of the rental of our switchboards. This expense is related to our treatment institutions. Right across the country we are faced with the cost of the rental of switchboards plus the cost of long-distance telephone calls and telegrams. The actual expenditure in 1957-58 was \$152,000. I will give you a rough breakdown. Of that amount, \$127,000 was for the rental of switchboard equipment at the various institutions.

As far as travelling expenses for staff are concerned, we have an item of \$214,000. The largest single item within that is \$141,000 which is in respect of transportation of employees to certain of our hospitals. We have some hospitals which are located some distance from the centre of an urban area such as Westminster Hospital, Ste. Anne's which is 20 miles outside of Montreal, and the Ste.-Foy Hospital near Quebec city which are outside the regular transportation areas.

Mr. McINTOSH: Do you pay for transportation for your employees?

Mr. MACE: Yes. We found it was necessary in order to encourage people to go to work for us, let us say, at Ste. Anne's, that we had to pay the transportation costs of certain staff from Montreal station to the Ste. Anne's station. I forget the salary cut-off, but there is a level which the employee is assisted.

In London in respect to transportation costs there are two bus fares involved, so we give certain employees tickets to provide for their transportation on the second busline.

That is \$141,000 of the total expenditure. Have you any other questions?

Mr. McINTOSH: On page 1 you have travelling expenditures shown for the staff in the amount of \$25,500 and you have another item for telephones and telegrams in the amount of \$37,500.

I find throughout the whole statement that some of these items are away down while others are away up.

Mr. MACE: The biggest figure for telephone expenditure occurs in our institutions where we have a full switch board. Many of our district offices on the other hand are quite small, and we may occupy part of a public building where possibly we may share the cost of the switch board by way of a proportion of the cost.

Mr. McINTOSH: What is the answer with respect to the bottom of page 2 where it says "Less recoverable costs, treatment of patients, staff meals and accommodation, etc."?

Mr. MACE: I think that is a reflection of the fact that our recovery from the Department of National Defence was not quite as large as we had expected.

Mr. McINTOSH: You actually only took \$6,600,000 odd while you estimated to get \$6,260,000?

Mr. LALONDE: That is because the number of national defence patients is diminishing.

Mr. MACE: You are referring to the figures at the bottom of page 2. We prepared the estimates for 1957-58 in October, 1956.

Looking ahead, we anticipated that we might recover \$6,260,000; but in actual fact, we found we had more paying patients than we expected, so we got back \$6,690,224.10.

Mr. McINTOSH: What was the answer to my question? Did you say that you had fewer war veterans allowance patients?

Mr. MACE: No.

Mr. LALONDE: No. There is a reduction in the number of national defence patients in our hospital. There is a downward trend.

They pay us for these patients, and this is the bulk of what we call recoverable costs. This is the money we receive from other departments.

Mr. McINTOSH: Leading up to my question on page 4 under war veterans allowance and under World War I, there is, roughly, an increase of \$700,000, from that \$42 million to \$41 million; there is a difference of \$700,000 odd, where it says: "Dual service". There is an increase of \$100,000 there.

Mr. LALONDE: That is correct. It is purely a question of more veterans ageing.

Mr. McINTOSH: You have said it will be five years before that figure comes down.

Mr. LALONDE: That is right.

Mr. HERRIDGE: As a result of difficulty experienced in this house and in the legislature, with estimates, and with this statement of appropriations and expenditures for the fiscal year 1957-58, I feel that the Department of Veterans Affairs has demonstrated a very close estimate, in my opinion, and care in expenditures, particularly when considering the great number of intangibles which the department has to face throughout the year, as well as in the future.

Mr. MACRAE: That is true. On page 7 you show a variance of only one per cent.

Mr. CARTER: What arrangement does the department have with the Canadian Corps of Commissionaires? Do you hire them on a contract basis from the corps, or do you pay them separately, and if so, is there any variation in the salaries paid? Are they paid on a rank basis?

Mr. LALONDE: Yes, Mr. Carter. The commissionaires, who are not departmental employees, are paid through the corps itself. In other words, our department pays the corps, it does not pay the individual.

Mr. CARTER: You contract for a certain number of commissionaires?

Mr. LALONDE: That is correct. We contract for a certain number of posts for a certain number of hours for each post. We do not say we want six commissionaires. We say we want three posts covered either eight hours a day or 24 hours a day; we multiply the number of posts by the number of hours, and the treasury board lays down the rate at which this service will be paid to the corps.

The rate which is laid down by the treasury board is on the same basis as the rates which they lay down for prevailing rate employees. In other words, they pay the going rate locally for the same type of labour so that the commissionaires will not price themselves out of a good market.

You must remember that 50 per cent of the commissionaires are employed by outside employers, and 50 per cent are employed by the government.

Mr. HERRIDGE: Mr. Chairman, I think in fairness to the officials and to the *Hansard* staff we should adjourn at this time.

The CHAIRMAN: Before we adjourn, what are your wishes about this afternoon? Shall we carry on at 3.30 in room 118?

Agreed.

THURSDAY, July 10, 1958.
3.30 P.M.

AFTERNOON SESSION

The CHAIRMAN: We have a quorum, gentlemen, and when we adjourned at noon we were considering some general questions. I think perhaps we will proceed along those lines until we have cleared the air once again.

Do you have any further questions or if we have any answers. I think we have now some answers.

Mr. MACE: I have one answer, Mr. Chairman. Mr. Carter was interested in knowing the cost of our treatment service in Newfoundland last year, for 1957-58 and it came to \$291,226 as the total cost of our treatment service. I think you will be interested to know that we had an average number of 62 patients on departmental strength throughout the year.

There might have been more at one time and less at others but that was the average.

Mr. CARTER: This is for every day of the year?

Mr. MACE: For a whole of Newfoundland, yes.

The CHAIRMAN: Thank you, Mr. Mace.

Mr. CARTER: I am not sure whether this is a proper question or whether anybody is competent to answer it. With respect to the Corps of Commissionaires does the Department of Veterans Affairs have any connection with it at all? Do we make any grants to it, do we help in setting it up, or do we give it any assistance in any way?

Mr. BROOME: Mr. Chairman, while you are looking that up would it be in order to take our coats off?

The CHAIRMAN: Well, there is no reason why you should not be comfortable, gentlemen.

Mr. LALONDE: The answer to that, Mr. Carter, is that the department does not interfere in any way with the administration of the corps. As far as we are concerned we are just another user of the services of commissionaires. As I explained this morning we pay them a rate fixed by treasury board which includes a percentage destined to cover the cost of their administration.

A small proportion of the hourly rate goes to the corps not as a subsidy but a contribution to the cost of their administration.

Mr. CARTER: That does not come off their daily wages or hourly wages? Are their wages reduced by that amount?

Mr. LALONDE: You mean the wages of the individual?

Mr. CARTER: Yes.

Mr. LALONDE: No sir, that is added to the wage rate.

Mr. CARTER: Every department does that?

Mr. LALONDE: That is right, sir, that is laid down by treasury board. For instance, the rates vary between \$1.15 and \$1.50 per hour, and in addition there is a payment made to the headquarters of the corps varying from 9 to 30 cents per hour. The individual commissionaire gets a wage rate fixed by the treasury board, and in addition the headquarters of the corps gets so much per hour for each commissionaire and that enables them to administer the whole thing and to have their provincial boards.

Mr. CARTER: The Department of Veterans Affairs has no interest as an organization?

Mr. LALONDE: Not a controlling interest, sir, but we certainly are interested in them from the point of view of the fact that they employ older veterans.

Mr. CARTER: It is a purely veteran organization, isn't it?

Mr. LALONDE: Our interest is welfare.

Mr. CARTER: But your interest extends to it as individuals not as members of the organization?

Mr. LALONDE: Well, we are interested in the individuals because this corps helps solve a problem of employment of the older veterans.

Mr. CARTER: But the only financial assistance they get as a group is this 9 cents an hour?

Mr. LALONDE: From 9 cents to 13 cents.

Mr. CARTER: They get no special grant or service or anything like that?

Mr. LALONDE: No.

Mr. HERRIDGE: Could you assure the committee that all the members of the corps of commissionaires that are employed by the Department of Veterans Affairs are veterans according to the veterans preference clause in the Civil Servants Act?

Mr. LALONDE: I am not sure of that, Mr. Herridge. I think the corps has, from time to time, employed some former R.C.M.P.'s, to do some special work where they were employed as security guards. I do not think we as a department employ any of those but I know that some of their civilian contracts require men with experience in a security role and they hire some former R.C.M.P., for instance.

Mr. CARTER: In working out these wage rates, that is determined entirely by the treasury board, you do not have any consultations on that because it varies considerably from one area to another?

Mr. LALONDE: Well, yes, we quite often initiate reviews by the Department of Labour of what is the local rate paid for a similar type of Labour and we go to the treasury board and say, "We have had this surveyed by the Department of Labour, we think a change is indicated. Will you review your wage rates?" or "Will you review the rate for a specific area?" And they go ahead and do so.

Mr. CARTER: There is a considerable discrepancy between rates paid, say, here in Ottawa and in Toronto and Hamilton, I understand?

Mr. LALONDE: Yes. There is 15 cents an hour difference—\$1.10 in Ottawa and \$1.25 in Toronto.

Mr. CARTER: That is very difficult to understand, is it not?

Mr. BEECH: There are men in Toronto.

Mr. LALONDE: If you go to British Columbia it is \$1.50. This is based entirely on the law of supply and demand.

Mr. BROOME: Does the same variance apply to the members of parliament? That is not for the record.

Mr. CARTER: It should apply to their expenses.

Mr. LALONDE: If the rate paid in Toronto to commissionaires was too low then the veterans would not be interested in joining the corps of commissionaires and getting employment in that way because they could get better rates elsewhere.

Mr. CARTER: When you say "prevailing rates" on what classification do you base that prevailing rate, for what kind of job? All the commissionaires are mostly receptionists and guards are they not?

Mr. LALONDE: It is based on the wage rate for a similar type of employment outside: for instance, either security or night watchmen in industry. That is the type of work that the commissionaires do and it is based on the average rate being paid outside by average good employers.

Mr. CARTER: I was rather surprised to find there was such a big difference between Montreal and Toronto.

Mr. LALONDE: There is the same difference in all prevailing rate employees.

Mr. CARTER: You have no interest in the number of holidays they get during the year. Mr. Fleming on orders of the day answered a question in which he said there were nine days' holidays for prevailing rate employees and I presume the commissionaires would naturally be entitled to nine days' holidays a year.

Mr. LALONDE: The holidays are arranged entirely by the corps itself. You must remember that the corps receives so much for a certain number of employees in a year and if a commissionaire goes on holidays they have to continue to supply that service and they have to pay wages to do it. So they determine themselves what holidays they are going to give to their employees.

Mr. STEARNS: While we are on that subject, are there yearly holidays too besides their statutory holidays?

Mr. LALONDE: No, they work by the hour. We contract for so many positions at so many hours.

Mr. CARTER: That is what I am leading up to. Do you not think when you make your contracts with the commissionaires for so many positions that you should include some holidays with pay?

Mr. LALONDE: If these were contracts to employ a number of men probably we could, but we are not contracting to employ a number of men.

Mr. CARTER: You are getting out of it by doing it the other way?

Mr. LALONDE: We are contracting with the corps of commissionaires to give us a certain kind of service and I think that is the only relationship the corps will accept. They want to run their own unit.

Mr. SPEAKMAN: They are completely self-administered; the department buys a supply of help?

Mr. LALONDE: Yes; so much so that a lot of their contracts are outside the government field and they like it that way.

Mr. FORGIE: It is a fact, is it not, that many of the commissionaires are not veterans?

Mr. LALONDE: Oh, a very small proportion, very small.

Mr. FORGIE: Increasingly so now, is it not?

Mr. SPEAKMAN: Mr. Chairman, I have had some little dealings with the corps of commissionaires with a view to setting up a branch in the Yukon while I was there and one of their regulations is that the men must have served in one of Her Majesty's forces, so I think you will find the members employed are either ex-R.C.M.P.'s or have served in one of Her Majesty's services.

Mr. FORGIE: That is not all-inclusive because I know as a matter of fact up in my section of the country a lot of them are not veterans in the legal phraseology or description of the word "veteran".

Mr. LALONDE: I can assure you, Mr. Forgie, the percentage is very small.

Mr. HERRIDGE: If there were it would be very improper because there are plenty of veterans looking for jobs in the corps.

Mr. SPEAKMAN: There certainly are.

Mr. LALONDE: I would think they only do that when they require certain specific services from the employee, but not as a rule.

The CHAIRMAN: Does that complete that discussion? You have a question, Mr. Broome?

Mr. BROOME: I do not know whether this is the proper time to ask it or not, Mr. Chairman, or whether as an order. I would like your guidance. If possible I would like to know in regard to the merchant marine as to whether any cost studies have been made as to the probable cost of the merchant marine coming under federal legislation for wartime service.

Mr. LALONDE: Mr. Broome, we have made very extensive studies of that question. We have not a specific answer.

The CHAIRMAN: Any further questions on that point?

Mr. BROOME: Well, my information is that the merchant marine were engaged in, if anything, a more hazardous occupation and they were termed the fourth fighting arm of the service. Some of the stories from Mr. Carter's province are really fantastic as to the privation that the men endured and I have always felt it was a gap in our veterans' legislation that the merchant marine was cut off, and I was wondering if it was on a cost basis or if it has opened up a door to other groups who might not be so deserving. That is why I asked your direction because perhaps it is policy and should have been dealt with by the minister.

Mr. LALONDE: All I can say, Mr. Chairman, is that this question is not a new one. It was discussed in parliamentary committee as early as 1946, and subsequent committees discussed it also and the government never saw fit to declare the merchant marine or other groups to be veterans coming under veterans' legislation as former members of the armed forces.

Mr. BROOME: Even when they served under officers of the navy?

Mr. LALONDE: I am only stating what the policy is at the moment. I can assure you I have spent many hours studying all the aspects of the question. It is a very complex one.

Mr. MELVILLE: Mr. Chairman, there is a provision under the Civilian War Pensions and Allowances Act which makes provision for merchant seamen and they are pensionable for disability or death when such disability or death is the direct result of enemy action or action against the enemy, and there are quite a number of pension.

Mr. LALONDE: Those who come under the Civilian War Pensions and Allowances Act do get fringe benefits from that status, but I understood your question to mean: should they be considered as veterans for all purposes.

Mr. BROOME: That was my question.

Mr. CARTER: I was interested in that. I think our greatest interest in the merchant marine is getting them eligible for war veterans' allowances. The pension is taken care of under the civil disabilities scheme.

Mr. LALONDE: That would of course raise the principle, that if they come under the war veterans' allowance act why should they be veterans just for that purpose and not for others. As I say, it is not a question you can decide—

Mr. CARTER: They are veterans in a sense. We give them a medal, we say in time of war they can wear medals the same as any veteran.

Mr. LALONDE: I think we will be discussing this later on.

Mr. BROOME: It is a subject which is of interest to both coasts.

Mr. HERRIDGE: Mr. Chairman, is not the merchant marine association to be given an opportunity to appear before the committee?

THE CHAIRMAN: There is a tentative request. They have not indicated their desire, not confirmed their desire or wish to appear, but we are corresponding with Mr. Heide at the moment.

Mr. LOCKYER: Mr. Chairman, that opens up another question. I have had a good deal of correspondence from a man who volunteered in the Battle of Britain in the fire brigade. He claims they should have some rights under the Veterans Pensions Act.

Mr. LALONDE: And there are quite a few other groups.

Mr. LOCKYER: I presume there are some other groups.

Mr. HERRIDGE: Have you heard from the firefighters' association?

THE CHAIRMAN: No, no request from the firefighters' association, Mr. Herridge.

Mr. CARTER: Well, this is all about what is a veteran and what is not a veteran. It is only a bunch of words until we put it into the act. We say a veteran is so and so, but saying that does not make a veteran just because we have written lots of words in respect to them. There are lots of veterans who have worn uniforms and gone over to France, played a game of football, went back and they can get war veterans' allowances. I know cases, and as long as you were in a theatre of war that is what matters.

Mr. GARNEAU: May I make a slight correction? If he was taken on the strength of that unit and in a theatre of actual war, but bandsmen and visiting entertainers are not considered as veterans.

Mr. CARTER: I am not talking about visiting entertainers; I am talking about a fellow who was in a unit and because he was in the unit that unit went over to play a game of football and he was selected out of that unit, and that is a fact, because he left England to play football he could get the war

veterans' allowance and the merchant seamen, who risked his life floating around the ocean half a dozen times cannot get it.

Mr. WINKLER: In that particular case I think a little clarification is required on what you said. He may have gone over somewhere to play a game of football but nevertheless he was well qualified as far as the act is concerned by his service in England.

Mr. CARTER: No, this is before we endeavoured to get the act amended, the fellow who only went to England could not get anything. If his service terminated in England he was not eligible for pension because he had not been in a theatre of war.

Mr. SPEAKMAN: That is World War I.

Mr. CARTER: I am talking about World War I and there are still veterans of World War I.

THE CHAIRMAN: Gentleman, I think Mr. Broome raised this question originally

Mr. BROOME: I apologize.

THE CHAIRMAN: All answers have been given in parliament by the existing legislation and as I understand it the existing legislation is such that merchant navy men do not receive benefits as veterans. I think Mr. Carter is making statements rather than asking questions.

Mr. CARTER: I will put it in the form of a question. Is not the only difference between the merchant navy veterans and other veterans the fact that we have not written a definition in any statute book describing what a merchant marine veteran is?

THE CHAIRMAN: I think the status is quite clearly defined in the Civilian War Pensions Act.

Mr. BEECH: I think we had better get on safer ground, Mr. Chairman.

THE CHAIRMAN: We do not want to cut off any discussion on this point, but we can only discuss it in the light of the existing legislation. Certainly we will be hearing representations from these groups and then it will be up to parliament to decide if any changes should be made.

Mr. WINKLER: I would certainly suggest that we wait until we hear those representations and then have a discussion.

Mr. LALONDE: I think possibly at that time more information will be available to you, as a result of our studies of the problem.

THE CHAIRMAN: This is a standing committee, I would remind you, gentlemen. We will be meeting every session of parliament and there will be a continuing discussion on all these points.

Mr. Forgie has a question?

Mr. FORGIE: No, I have nothing.

THE CHAIRMAN: On this matter of general questions—Mr. MacDonald?

Mr. MACDONALD (*Kings*): I have a question for the veterans' Bureau. There was mention in the deliberations earlier there was additional service—

THE CHAIRMAN: We are opening up Veterans' Bureau now?

Mr. MACDONALD (*Kings*): Yes.

THE CHAIRMAN: Have we finished on other points? Before we get to the questioning under item 480 I think the chief pensions advocate, Brigadier Reynolds has a statement. No. 480 has been called now.

Mr. P. E. REYNOLDS: (*Chief Pensions Advocate, Department of Veterans Affairs*): Mr. Chairman and gentlemen, I am the chief pensions advocate and am in charge of the administration of the Veterans' Bureau. The Veterans'

Bureau has been in operation since 1930 and is authorized by the present section 11 of the Pension Act. It is a branch of the Department of Veterans Affairs and is completely independent from the service bureau of the Canadian Legion or other veterans' organizations and is also equally independent of the Canadian Pension Commission.

Its duties are prescribed by the act, and may be summarized thus: to assist and advise applicants for pension or other relief under the Pension Act with regard to all phases of pension law.

These duties are carried out by means of a head office staff at Ottawa and by district pensions advocates and appropriate staffs in all the district offices.

The number of advocates employed in a district ranges from part-time advocates in some of the smaller districts to four full-time advocates in some of the larger ones. All the advocates are members of the legal profession with the exception of three, and these non-legal advocates, by virtue of a great many years of experience in the work of the bureau, are very efficient in their work.

I have, Mr. Chairman, a list of all the pensions advocates across Canada and their addresses, and I would be pleased to table it.

The CHAIRMAN: We have a list of all the advocates. Would it be helpful to have this printed in our record? I think as an appendix would be better.

Mr. REYNOLDS: The bureau endeavours to give pension applicants free of all charge exactly the same kind of service as litigants would have the right to demand of a law firm representing them in civil litigation.

It is the policy of the bureau that the district pensions advocate, who is in direct contact with the applicant, is responsible for the preparation and presentation of the claim throughout. The head office staff is available to advise and assist him.

The work of the bureau commences as soon as an applicant contacts an advocate. This may be before any claim is made or it may be after the claim has received one or more hearings by the commission. The duty of the bureau at each of these hearings is to do its utmost to find and to present to the commission all available relevant evidence.

This entails reviewing the service documents which are available to the bureau as well as service records, the post discharge documents and the departmental files.

The Pension Act provides that a summary of evidence must be prepared and supplied to the applicant with certain very minor exceptions in all claims prior to a second hearing or an appeal board hearing. The statute places the responsibility for the preparation of this document on the bureau in all cases. That is even if the bureau is not representing the applicant, the bureau is still responsible for the preparation of the summary of evidence. The preparation of this summary is an extremely exacting and important duty which requires the examination of all the relevant service documents, post discharge documents and their summarization. That is, it is up to the bureau to find all the documents available and then summarize them.

These summaries are actually prepared by the district pensions advocate, the head office staff assuming the responsibility of ensuring that he is supplied with copies of all relevant documents.

One of the most important duties performed by the district pensions advocate is the preparation and presentation of claims before appeal boards. At these hearings, viva voce evidence is produced and the advocate appears at the hearings as the applicant's counsel. As the decision of an appeal board is a final one, the advocate is required to take every possible care that all available evidence is placed before the board. At these hearings the commission is not represented by counsel so the bureau recognizes the duty to the commission to make full disclosure of all relevant evidence in its possession.

The Pension Act provides that under certain circumstances an appeal board decision may be reopened. Applications of this kind are now quite numerous and presentation of these applications to specially designated appeal boards is one of the duties performed by the advocates on the head office staff.

The issues in a great many pension claims are medical ones and advocates are required to secure medical evidence. In this regard the bureau is most grateful to the director general of treatment services, Dr. Crawford, for his cooperation in securing for the bureau the opinions of outstanding specialists right across the country. The bureau simply could not function efficiently without this assistance.

This, Mr. Chairman and gentlemen, is an outline of the work done by the bureau.

I will be pleased to answer any questions.

The CHAIRMAN: Thank you, Brigadier Reynolds.

Mr. MACDONALD (*Kings*): Would Brigadier Reynolds explain what additional legal services might be available to a veteran applying for a pension. I think it was mentioned during one of the earlier committee meetings that there were additional legal services besides those provided by the Pension Act.

Mr. REYNOLDS: Well, the other organizations that provide assistance in the preparation of pension claims are the Canadian Legion—

Mr. MACDONALD (*Kings*): No, I am sorry; perhaps I misunderstood the observation previously, but I thought someone in the department said there were additional legal services to that provided by the pensions advocate, if necessary.

Mr. REYNOLDS: Within the department?

Mr. MACDONALD (*Kings*): Yes.

Mr. REYNOLDS: There is no other assistance within the department with respect to pension claims, other than the veterans bureau. There is a legal director.

Mr. MACDONALD (*Kings*): You hire additional personnel if needed.

Mr. REYNOLDS: The applicant is quite free—

Mr. MACDONALD (*Kings*): On behalf of the applicant?

Mr. REYNOLDS: The department will not do that; but the applicant is quite free to get outside counsel at his own expense to assist in the preparation of the pension application.

Mr. ROGERS: I would like to ask Brigadier Reynolds whether this counselling and legal advice in preparing these applications is available for a veteran who is applying for war veterans allowance, or his widow?

Mr. REYNOLDS: Our only function is claims under the Pension Act—not war veterans allowance.

Mr. HERRIDGE: Mr. Chairman, that raises an interesting point, particularly under certain circumstances. I wonder if it would be advisable to have the veterans bureau assist the veterans in the preparation of their war veterans allowance application.

Mr. LALONDE: This is done by the welfare services, Mr. Herridge.

Mr. HERRIDGE: It is completely done by them?

Mr. LALONDE: Yes, at the moment this is the bulk of their work.

Mr. HERRIDGE: I know there is a great deal of it; but I was wondering if, in dealing with the war veterans allowance, there would be the number of legal applications there would be under the Pension Act.

Mr. LALONDE: It is mostly a question of establishing service eligibility, which is fairly straightforward, and then to establish eligibility under the

means test. Those are the two things which count, under the War Veterans Allowance Act.

Mr. HERRIDGE: Yes I can see that now.

Mr. LALONDE: A pension claim is much more complicated because you have to present evidence to something that is akin to a court.

Mr. ROGERS: Well, I have in mind a widow, a very nice lady too. I have talked this case over with Mr. Garneau and I think there are isolated cases where legal advice would be a lot of help. This lady was left a widow and her husband did not divulge certain income that he had while he was receiving war veterans allowance. When he died, of course, she was forced with having to make up this over-payment and as a result the estate was frozen. I do not think that estates should be frozen. There should be some way of putting a lien against the estate for the overpayment because it is about five months now since this happened. She is living on fresh air and needs all the help she can get. That is an isolated case. I think that legal advice would be of great help to her. I just want to put that on record because there are two or three of those cases. I do not see why an estate should be frozen for five months. I know that there is a lot of investigation to be made but still that does not help the widow any.

Mr. GARNEAU: I am not contradicting anything that Mr. Rogers has just stated, but the point I wish to make is that I just saw that case a few days ago. That all came to light last February after the death of the husband. Investigations had to be made which brought to light the exact amount of the estate and so on and so forth. The amount of the over-payment could only be set just very recently. The pension commission, from another angle, I believe, is interested in that case. But keeping it to war veterans allowances, at the present time we are looking over that case just to confirm the amount of the over-payment. I was telling Mr. Rogers this morning that it was my intention to have a chat with our legal division to see whether they could not release some of the money, or discuss it. We did not get around to it because we only spoke about it this morning. So, I expect that in a few days we shall be able to find out all about it. I believe that there was no undue delay. It was just one of those cases, like a case in court which requires a certain amount of preparation to bring out the facts with which to deal.

Mr. ROGERS: You will agree that there is not much satisfaction to the widow. After all her husband died in January and it is now July.

Mr. LALONDE: That may be true, Mr. Rogers, but the chairman of the War Veterans Allowance Board points out to me that we are not handling this estate. This estate must be handled by the public custodian and therefore the only thing we can say to the public custodian is that we have a claim for so much and then it is up to him to take the necessary action to dispose of the estate. And even if we were to supply legal services, we could not replace the public custodian and we could not force his hand.

Mr. ROGERS: It still takes a long time.

Mr. LALONDE: Yes, I am afraid that there are certain types of cases where you just cannot get a solution within a couple of weeks or even a month.

Mr. HERRIDGE: I see that in British Columbia there are, according to this list, five veterans advocates; four on the mainland and one on the island.

Mr. REYNOLDS: That is true.

Mr. HERRIDGE: Well, do you find that that is a sufficient number of advocates to service the applications for assistance in a reasonable time?

Mr. REYNOLDS: Yes, I think that Vancouver is very well supplied with advocates. In fact, they probably have one more at the moment than the establishment provides for. One of the advocates in Vancouver is what we describe

as a trainee. As soon as an opening comes up in the establishment elsewhere, it is possible he will be moved from Vancouver so you will only have three advocates.

Mr. HERRIDGE: When you speak of Vancouver, I always think in terms of the more important part of the province, the interior; but you mean they are centred in Vancouver?

Mr. REYNOLDS: Yes. The work in the Vancouver office of the bureau is kept very well up to date; it is one of the best offices we have in that respect.

Mr. LOCKYER: Mr. Chairman, could I ask Mr. Reynolds if this means that our solicitors and professional men take on cases outside of the work they are doing for the government in this respect?

Mr. REYNOLDS: The full-time advocates do not; the part-time advocates are, of course, in private practice and only devote part of their time to the duties of the bureau.

Mr. HERRIDGE: What would happen in a case like this: a veteran's advocate is visiting an isolated part of the province in connection with his duties and he discovers someone there who is seeking advice in respect to an application for a war veterans allowance; is there mutual assistance in those circumstances?

Mr. REYNOLDS: Yes. I get reports from the district pensions advocates regarding the visits they make to other centres and the people they interview. I notice particularly on Vancouver island about half the people the advocate interviews on the island are with reference to war veterans allowances.

Mr. HERRIDGE: I am glad to hear that.

Mr. CARTER: Do you mean to say the advocates travel around the province?

Mr. REYNOLDS: Yes, most of them do.

Mr. CARTER: Is that the ordinary procedure?

Mr. REYNOLDS: We encourage them to travel as much as they consider necessary.

Mr. CARTER: Would they have a list of veterans whom they would be looking for in order to assist with their pensions?

Mr. REYNOLDS: Well, the way it usually happens is that some veteran writes to the advocate from some distant point and the advocate writes back and says, "I expect to visit such and such a place near to where you live at some particular time. I suggest you come in and see me when I am there." The advocates also write to the local branch of the legion at the centres where they propose to visit. They ask the Legion branches to publicize the visits and find out what veterans wish to be interviewed, so the advocate can take the file with him when he goes to that particular place. It is a lot easier to intelligently interview an applicant if you have the file before you.

Mr. CARTER: Are these advocates all full-time personnel?

Mr. REYNOLDS: No, I can tell you the ones that are not. They are marked P.T. with an asterisk at the bottom.

Mr. CARTER: P.T.?

Mr. REYNOLDS: Yes.

Mr. HERRIDGE: Do you get excellent cooperation from the Legion branch?

Mr. REYNOLDS: We receive very good cooperation. There is a good feeling between the bureau and the Legion.

Mr. BEECH: I wonder if anyone here can tell us whether a higher percentage of applications have been granted since you adopted the policy of employing legal people instead of the ordinary barrack room lawyer?

Mr. REYNOLDS: I doubt whether there are any statistics on that particular aspect of the case.

Mr. BEECH: I was just wondering whether it was worth while making the change.

Mr. REYNOLDS: They always did have a sprinkling—

Mr. LALONDE: I must explain to the committee that Mr. Reynolds has been the chief pensions advocate for only the last two years. The bureau has always been staffed by a majority of legally trained men.

Mr. HERRIDGE: That does not detract from the diligence and hard work that many of these old-timers did before the policy was changed.

Mr. LALONDE: No.

Mr. HERRIDGE: I know they put a lot into it, even though they did not have the legal training.

Mr. REYNOLDS: Some of the best advocates we have are non-legal.

Mr. LALONDE: Because of their background too. Of course, it takes a lot longer for a man who is not legally trained to acquire the background they have.

Mr. BEECH: The pension commission must be pretty tough when you have to obtain legal people to fight it.

Mr. STEARNS: When these advocates eventually reach the end of their term of office are they covered under your civil service pension plan?

Mr. REYNOLDS: They are civil servants.

Mr. CARTER: Where do you draw the line between a full-time and part-time advocate?

Mr. REYNOLDS: It all depends on the work load at the particular centre; if there is enough work to keep a man there full time he would be a full-time advocate.

Mr. CARTER: Have you any particular number of cases in mind; do you base it on the number of pensioners or the number of cases being appealed, or how do you do it?

Mr. REYNOLDS: We can tell pretty well by comparison with other districts which are handled on a part-time basis. We obtain statistics of the number of interviews, letters written, applications made and appeal board cases prepared, and on that basis we compare one district with another and have a pretty good idea how much work a full-time man can perform.

Mr. CARTER: Do these part-time advocates move around, or do they remain where they are?

Mr. REYNOLDS: It is more difficult for the part-time advocate to travel than it is for the full time, but some of the part-time advocates do some travelling.

Mr. HERRIDGE: What are the terms of the engagement of the part-time man carrying on other legal work?

Mr. REYNOLDS: He is supposed to give 50 per cent of his time to the work of the bureau. We pay him \$3300 a year.

Mr. LOCKYER: Mr. Chairman, could I ask Mr. Reynolds what percentage, since the veteran has his choice of making an appeal himself or going through an advocate, of these cases are appeals made by the advocates?

Mr. REYNOLDS: Practically all the appeals to the appeal board are presented by the veterans bureau. Occasionally an outside counsel appears. At Halifax the Canadian Legion has a man who sometimes appears on some cases and in Vancouver the disabled veterans association has an advocate who sometimes appears. However, in all other places practically all the work of appeal boards is done by the veterans bureau.

Mr. CARTER: Are these part-time advocates granted travelling allowances?

Mr. REYNOLDS: Anyone who travels has his expenses paid.

Mr. LOCKYER: Mr. Reynolds mentioned the appeal board, but I am talking about the application for a pension right from the start.

Mr. REYNOLDS: There are quite a few applicants who do not come to the bureau in the first instance. We sometimes get them after the first decision has been made. Sometimes the Legion handles the case at the first and second hearings by the Canadian Pension Commission, and we get it after that.

Mr. LOCKYER: I presume we receive a percentage of the ones turned down?

Mr. REYNOLDS: Yes.

Mr. CARTER: I would still like a little more specific information about the work load of the part-time advocate, because I notice the only two provinces in all Canada that have a part-time advocate are Newfoundland and Prince Edward Island.

Mr. REYNOLDS: That is not quite correct; North Bay has one.

Mr. CARTER: North Bay is not a province.

Mr. REYNOLDS: North Bay and Kingston.

Mr. CARTER: They are not provinces.

Mr. REYNOLDS: It is a district.

Mr. CARTER: I am talking about provinces; there are ten provinces in Canada, and Prince Edward Island and Newfoundland are the only two provinces that have a part-time advocate.

Mr. REYNOLDS: That is correct.

Mr. HERRIDGE: And no others?

Mr. CARTER: And nothing else; just one part-time advocate?

Mr. REYNOLDS: I should explain the part-time advocate you have in Newfoundland is on a different basis to any of the other part-time advocates, because the work load in Newfoundland was considered to be such that he did not need to be on the same basis as the other part-time advocates. He neither receives the same salary nor is required to put in as much time.

Mr. CARTER: How does he compare with the others then; does he get half or quarter of their salary?

Mr. REYNOLDS: He receives a little more than half of what the others receive.

Mr. CARTER: Well, can you give me some definite idea in order that I can make some comparisons? What do you consider a work load for a full-time person; how many cases, how many pensioners or how many veterans, or whatever way you can best present it?

Mr. REYNOLDS: I consider the work load for a full-time pensions advocate would be enough work to keep that advocate working all day. The number of cases that one advocate can handle is not necessarily the amount that another one could handle. It is determined by a lot of different factors. If there are a lot of different interviews, more of his time is taken up with interviewing rather than in writing letters. I think he would handle fewer cases than the man who does most of his work by correspondence.

There are so many different factors that each district has to be considered on its own merits.

Mr. CARTER: The thing that strikes me about it in Newfoundland is that since Newfoundland has been in confederation for only nine years, and since all this administration of the act and all the departmental work has been completely new to our people—we knew nothing about it—surely here is a

place where we need more advocates, and a place where you should have somebody travelling around to interview people and to make them acquainted with their rights and what they can do.

I think the needs of Newfoundland in this respect are even greater than the needs of places which are fully familiar with the set-up.

Mr. LALONDE: That would be done by the welfare officers who travel around the country.

Mr. CARTER: I thought that the welfare officer did not do anything about pensions.

Mr. LALONDE: Yes. He can tell the veteran what to do if he has a claim for a pension, and he does advise him.

Mr. CARTER: Please don't get me talking about your welfare officers in Newfoundland, because most of the welfare work there is done by Newfoundland welfare officers through the provincial welfare branch.

Mr. LALONDE: Geographically the situation in Newfoundland is rather extraordinary and creates some problems which do not exist anywhere else. I think you are fully aware of that.

You were asking about comparisons. The chairman of the pension commission filed a report before the committee this morning which shows that during the fiscal year 1956-57 Newfoundland had 17 cases which went to appeal, New Brunswick had 76, Quebec had 340, Ontario had 625, Manitoba had 80 and British Columbia had 174.

This shows the percentage of the volume of work in each province.

Mr. CARTER: How many were there in North Bay?

Mr. LALONDE: North Bay is included in Ontario.

Mr. CARTER: That is different; there is quite a difference between Ontario and North Bay. You give the Ontario figures and you separate North Bay out as part time.

Mr. LALONDE: We work according to districts. You asked your question relating to provinces. When Mr. Reynolds tried to answer you in terms of districts, you said you wanted it in terms of provinces.

Mr. MELVILLE: During 1956-57 there were 55 cases completed with respect to North Bay of which 25 had favourable decisions and 34 unfavourable. There were 55 cases in the year for North Bay.

Mr. CARTER: As compared to what?

Mr. MELVILLE: Seventeen in Newfoundland. The details you requested will be found in the appendix to today's proceedings.

Mr. BATTEN: Might I ask Mr. Melville this question: are there ever any appeal boards held in one province for another? I am thinking about cases on the west coast of Newfoundland where they might more easily be held in Halifax than in St. John's.

Mr. MELVILLE: Maybe the odd case. In the same way as the commission, on a request from the veterans bureau, will hold a pre-hearing, and hear evidence. Then the applicant will take his evidence before the main hearing himself which would take place in Newfoundland. After that we would have a post-hearing at some place which is convenient to the witness to make sure that the applicant has the benefit of hearing all the witnesses that he wishes to bring forward in support of his claim.

Sometimes the main hearing has been heard outside of the province, but that is most unusual. I can only think of one case where it would otherwise have worked a very severe onus, and where we did it for him.

Mr. CARTER: In order to keep the record straight, according to Mr. Melville's figures there were 54 cases at North Bay compared to 17 in Newfoundland. There is a big difference there. Those 54 cases at North Bay were Canadian veterans, while the 17 from Newfoundland—I suspect a good many of them had first of all to apply to the British Ministry of Pensions because they are not regarded under the act at the present time as Canadian veterans.

They are neither fish, flesh nor good red herring.

The CHAIRMAN: Are they not allied veterans?

Mr. CARTER: Nobody knows what they are. They are not British veterans, because the British do not recognize them as such, and they are not Canadian veterans. They are second war people too, yet they are nothing.

So those two figures are not exactly comparable. I rather suspect that if the position were changed and if "Newfoundland veteran" were to be defined in the act with the same definition as "Canadian veteran", you would perhaps have more work and more cases for your pension advocates.

Mr. REYNOLDS: If we thought these was a necessity to put in a full time pensions advocate in Newfoundland we would be very happy to recommend it.

Mr. CARTER: A lot depends on the present situation.

Mr. MELVILLE: May I elucidate the point: in World War I Newfoundland had her own forces. She had the Newfoundland Regiment which established a magnificent reputation in World War I.

But in World War II the situation was different. Newfoundlanders who wished to undertake service enlisted in the forces of Her Majesty. Therefore the service was performed with Her Majesty's forces, and if disability or death were incurred, then the responsibility for pension rested on the British government.

Union of Newfoundland with Canada took place on the 1st April, 1949. At that time provision was made for these Newfoundland veterans, and under the terms of union it was laid down that Canada should take over Newfoundland's pension responsibility as it existed on the 1st April, 1949.

There is provision in the Pension Act whereby if a claim is rejected by the British ministry—and the British ministry's basis of entitlement is, let us say, much more strict than is the Canadian, because it has to relate to the performance of duty, whereas under the Canadian legislation it has to be incurred on service, which is much broader.

Under an amendment to the act it was provided that if a claim is made by a Newfoundlander who served in the British forces in World War II, and if that claim is rejected, he may then make a claim to the Canadian Pension Commission that his disability was incurred or aggravated during his service.

But initially he must submit his claim and have it dealt with by the British authorities.

Mr. CARTER: That is true. I am not saying that it is not right. But I do say that the Newfoundland veteran is in a very different position from that of any other veteran in Canada.

Mr. MELVILLE: No. Canada has any number of Canadians who were domiciled in Canada at the outbreak of World War I. We also have any number of Canadians domiciled in Canada for three years immediately preceding World War II.

These men served with the forces of Her Majesty or those of Her Majesty's allies, and if they incurred disability or death, their award is paid by the country with which they served, and it is supplemented by us through Canadian legislation. So they are not in an inferior position to any Canadians.

In fact, the Newfoundlander in some respects is in a better position.

Mr. CARTER: And in some cases he is worse off, if he is granted entitlement and assessed at nil. In that case he is worse off than if he had been rejected.

Mr. MELVILLE: Mr. Carter's point is one which is often considered.

Mr. CARTER: The more often it is considered, the better!

Mr. WEICHEL: May I ask Mr. Melville if there is a new appointment as pensions advocate, would that position come under the Civil Service Act, while the appointment of a part time advocate would not?

Mr. REYNOLDS: The part time man comes under the Civil Service Act as part time, and the full time man comes under the Civil Service Act, of course, immediately he is employed.

Mr. WEICHEL: In the post office, however, the part time man does not come under the civil service.

Mr. REYNOLDS: Yes, the part time advocate is employed by the civil service.

Mr. BEECH: It would seem that they are going to change the name of these pension advocates according to the way the item is set out. Is that right?

"Pensions advocate" is set out as solicitor. Is there an intention to change the name?

Mr. REYNOLDS: No, there is no intention at the moment to change the name.

Mr. LALONDE: As I have explained, this is done because we have lawyers working in the legal services of the department and we have lawyers working in the veterans bureau.

Instead of having a civil service classification for one group, and another classification for another, we put them all in the same classification for purposes of the Civil Service Commission and for the purpose of establishing their salary rates.

But one group is working in the legal services and we call them departmental solicitors, while the other group is working for the veterans bureau and we call them pension advocates.

Mr. BEECH: There is no allowance made for pension advocates, and that is what I was wondering about.

Mr. LALONDE: What do you mean?

Mr. BEECH: The amount is shown for 1957-58 and there is nothing shown here for 1958-59.

Mr. LALONDE: In the book of estimates for the year 1957-58 you will find there were a number of pension advocates of various classes. For instance, if you look at page 609 of the blue book you will see we had two pension advocates, grade 5; two pension advocates, grade 4, and so on. For the purposes of the estimates for the year 1958-59 they are shown as, one solicitor, grade 6; five solicitors, grade 5, and so on. In other words, we only changed the classification but the bodies still remained.

Mr. BEECH: Thank you.

Mr. HERRIDGE: Do you process any claims on behalf of former members of the nursing services, or the women's army corps?

Mr. REYNOLDS: Yes, we have at least one claim that I can think of for an ex-nurse in the course of processing now. Frequently we have claims from ex-C.W.A.C. personnel.

Item agreed to.

The CHAIRMAN: That concludes the consideration of the estimates with the exception of item 473, departmental administration. We have held item 473

entirely open up to the present moment in order to make it possible to ask questions having reference to any branch of this department.

Mr. SPEAKMAN: Mr. Chairman, have we finished with item 499, terminable services?

The CHAIRMAN: Yes, we completed that item some time ago, Mr. Speakman.

If we refer the estimates of this department to the House of Commons it will expedite the business there considerably. What are the wishes of the committee in this respect?

Mr. HERRIDGE: Mr. Chairman, what effect will our referring these estimates back to the House of Commons have on the various groups who wish to make representations, keeping in mind the orders and procedures of the House of Commons?

The CHAIRMAN: In that regard, I think we will leave it up to the committee to decide.

Mr. HERRIDGE: If necessary, I suppose this committee can be provided with a new reference?

The CHAIRMAN: Yes. We do not want to exclude anybody who has a representation to make but I think it would facilitate the business of the House of Commons, at this late date, if we could refer these estimates back to the committee as a whole so that the estimates of this committee can be taken under consideration whenever an opportunity arises.

I must stress the fact that we do not wish to exclude anyone who has something to bring to the attention of this committee.

Mr. CARTER: Will the minister be appearing in regard to item 473?

The CHAIRMAN: What are your wishes in that regard?

Mr. HERRIDGE: Has Mr. Carter something particular in mind?

Mr. CARTER: Yes. I could very well ask the questions I have in mind in the House of Commons. It has been very difficult for me to attend all the meetings of this committee because they have overlapped with meetings of the estimates committee. I could not be in two places at the same time.

The CHAIRMAN: It is quite true that you can refer to matters in which you are interested in the House of Commons if that is satisfactory to you.

Mr. CARTER: There would not be much point in bringing the minister back before this committee unless there were a number of general questions to be answered.

Mr. BROOME: Mr. Chairman, I think we should refer the estimates back to the House of Commons.

Mr. BEECH: I second that motion.

Mr. HERRIDGE: Just before we carry item 473, I would like to ask a question of Colonel Lalonde which I should have asked of Brig. Melville earlier. Unfortunately I am reaching the age when I think of things about 24 hours late. I am sure that Colonel Lalonde would have some information in regard to the question in which I am interested.

For many years, particularly in certain parts of British Columbia, there has been a strong demand for the revision of the acreage allowed on small holdings. The allowable minimum at one time was a quarter of an acre. This minimum has been raised. Has the department given this matter consideration, and would the deputy minister say from his experience if the present acreage regulations deny a number of veterans the opportunity to settle under the small holding section at the present time?

Mr. LALONDE: This depends a great deal, Mr. Herridge, on how you look at the establishment under part one of the act by comparison with part two.

Part one, as you know, deals with full-time farming, and part-time farming. It is in respect of the part-time farming establishment that the minimum two-acre regulation was established.

This regulation was established with the idea that unless you had at least two acres you could not do part-time farming. The part-time farming feature of the Veterans' Land Act was enacted so that veterans could re-establish themselves by adding to their income.

With respect to straight housing the minimum requirement of two acres per establishment would present great difficulties. However, apparently the government has always felt that part one was not a straight housing project and that is why parliament approved, a few years ago, part two of the act whereby a veteran can begin a house building project without a minimum acreage requirement.

As you are aware, under part two, as long as a veteran has got the money and the place to build a house, whether it involves half an acre or a quarter of an acre, it does not make any difference. However, I think this is a matter which will be discussed at the next session in view of the fact that the minister has indicated that he proposes to ask for some amendments to the Veterans' Land Act.

I would suggest that it would perhaps be appropriate if you waited until you had an opportunity of looking at the whole picture to determine whether it is desirable to change the terms of reference under part one or not.

Mr. HERRIDGE: Thank you.

Mr. CARTER: Before we carry this item I wonder if Brig. Reynolds would tell us whether a pensioner's advocate's duties are restricted solely to pension fields?

Mr. REYNOLDS: No, a pensioner's advocate handles the preparation of pension groups of all types at all stages.

Mr. CARTER: Thank you.

Item agreed to.

The CHAIRMAN: We have now completed our consideration of the estimates.

Thank you gentlemen for your diligent attendance and interest. We have had a quorum at all times and have been able to start on time on every occasion.

I would also like to thank the departmental officials who have come forward on these numerous occasions with helpful information. I think you will agree this has been a good orientation in the experience of all of us.

Before the committee concludes I would just like to make one further remark. We have had a visitor in our midst this afternoon from the city of Winnipeg in the person of Mr. Albert Yetman, who is a pensions advocate of the old school. We are glad to see you here this afternoon, Mr. Yetman. Mr. Yetman is enjoying a busman's holiday. He is actually on vacation but he happened to be in the city and sat in this afternoon to listen to the committee's deliberations.

I would like to say this, however, that he was active as a soldier's advisor long before the veterans' bureau was established and has served very well and faithfully in that capacity since 1930. He is a very sincere and conscientious gentleman. I know that he has been of great help to me when I brought veterans' problems to his attention.

Mr. MELVILLE: I can support that statement, Mr. Chairman.

The CHAIRMAN: It is too bad that we were not able to call Mr. Yetman as a witness. I am sure we would have received some interesting answers.

Mr. CARTER: Is it intended that we have other organizations appear before this committee?

The CHAIRMAN: We have at the present time a tentative request from the Merchant Navy to be heard and a tentative request from the War Amputations of Canada to be heard. I trust these organizations will confirm these requests within the next week and I will report in that regard at our session next Thursday morning.

The Canadian Legion will be appearing before this committee next Thursday morning with reference to the amendments to the two bills.

Our next session will be a week from today at ten o'clock. We are not aware of the room in which it will be held but it will be announced.

Mr. CARTER: The next meeting is next Thursday morning?

The CHAIRMAN: Our next meeting will be Thursday morning, a week from today, at ten o'clock. We will be considering the two bills that have been referred to this committee at that time.

The committee adjourned.

APPENDIX "A"

DEPARTMENT OF VETERANS AFFAIRS

Veterans Bureau

Pensions Advocates

HEAD OFFICE

Mr. P. E. Reynolds
Mr. E. V. Wilson
Mr. H. R. D. Harris
Mr. J. Chaloult, Q.C.
Mr. D. F. Kennedy
Mr. F. S. Morris (attached to
Ottawa District)

OTTAWA, Ont.

Mr. E. W. Day, (LL.B.)
No. 8 Temporary Building,
Carling Avenue,
Ottawa 1, Ont.

NEWFOUNDLAND

Mr. F. A. O'Dea, (B.A., B.C.L.)*PT
P.O. Box 242,
St. John's Nfld.

KINGSTON, Ont.

Mr. W. G. Cunningham, (B.A.) *PT
Richardson Building,
Kingston, Ont.

CHARLOTTETOWN, P.E.I.

Mr. A. H. Peake, (B.A., B.C.L.)*PT
P.O. Box 1300,
184 Richmond Street,
Confederation Building,
Charlottetown, P.E.I.

TORONTO, Ont.

Mr. M. A. Searle,
Mr. B. J. Legge, (B.A.)
Mr. J. W. Stark, (B.C.L.)
55 York Street,
Toronto 1, Ontario.

HALIFAX, N.S.

Mr. G. P. Coleman, (B.A., LL.B.)
Mr. G. R. Burke, (B.A., B.C.L.)
Camp Hill Hospital,
Halifax, N.S.

HAMILTON, Ont.

Mr. L. G. Latchford, (B.A.)
National Revenue Bldg.,
Main & Caroline Streets,
Hamilton, Ont.

SAINT JOHN, N.B.

Mr. F. R. Plourde, (B.A., B.C.L.)
P.O. Box 1406,
Prince William Street,
Saint John, N.B.

LONDON, Ont.

Mr. F. S. Gregory, (B.A., LL.B.)
Mr. J. M. O'Connell, (B.A., LL.B.)
201 King Street,
London, Ont.

QUEBEC, Que.

Mr. A. Legendre, (B.A., LL.B.)
Mr. J. G. Coote,
Ste-Foy Hospital,
2705 Laurier Boulevard,
Ste-Foy, Quebec 6, Que.

NORTH BAY, Ont.

Federal Building,
P.O. Box 540,
North Bay, Ont.

*PT—mornings (competition being
arranged to fill this position)

MONTREAL, Que.

Mr. W. R. Henry, Q.C.
Mr. J. L. Pouliot, Q.C.
Mr. F. E. Faussett, (B.Com., LL.B.)
Old Examining Warehouse,
379 Common Street (Cor. McGill),
Montreal, Que.

FORT WILLIAM, Ont.

(Serviced by Winnipeg Advocates)
Legion Memorial Hall,
226 S. May Street,
Fort William, Ont.

WINNIPEG, Man.

Mr. A. H. Yetman,
Mr. A. Schroeder, (LL.B.)
803 Commercial Building,
169 Notre Dame Ave., East,
Winnipeg, Man.

REGINA, Sask.

Mr. A. S. Pettapiece,
 Motherwell Building,
 Victoria Ave. and Rose Street,
 Regina, Sask.
 (taking over this position shortly)

SASKATOON, Sask.

Mr. A. S. Pettapiece,
 Federal Building,
 Saskatoon, Sask.
 (taking over this position shortly)

CALGARY, Alta.

Mr. H. D. Colbourne, (LL.B.)
 (Mailing Address) Michael Building,
 810-3rd Street West,
 Calgary, Alberta.
 (Office Address) Garbutt Building,
 706-6th Street West, Calgary, Alta.

EDMONTON, Alta.

Mr. D. K. Ward, (LL.B.)
 Federal Building,
 99th Ave. & 107th Street (P.O. Box
 640)
 Edmonton, Alta.

VANCOUVER, B.C.

Mr. M. F. Gladman, (B.A.)
 Mr. A. Koch, (LL.B.)
 Mr. R. N. Gourlie, (B.A., LL.B.)
 Mr. C. D. P. Myers, (LL.B.)
 Shaughnessy Hospital,
 Vancouver, B.C.

VICTORIA, B.C.

Mr. S. J. Mayzes,
 Belmont Building,
 Government Street,
 Victoria, B.C.

OVERSEAS

Col. Victor Jones, Q.C.
 for District Administrator,
 13-17 Pall Mall East,
 London, S.W.1, England.

*Part-time

INDEX

Estimates of the Department of Veterans Affairs

	Pages
(S) Minister of Veterans Affairs—Salary and Motor Car Allowance	
473 Departmental Administration	11 to 26
474 District Services—Administration	26 and 27
475 Veterans' Welfare Services	27 to 31
Treatment Services—	
476 Operation of Hospitals and Administration	} 81 to 98
477 Medical Research and Education	
478 Hospital Construction, Improvements, Equipment and Acquisition of Land	
479 Prosthetic Services—Supply, Manufacture and Administration	
480 Veterans' Bureau	163 to 172
481 War Veterans Allowance Board—Administration	40 to 50
482 Veterans Insurance	32 and 33
WAR VETERANS ALLOWANCES AND OTHER BENEFITS	
483 War Veterans Allowances	40 to 50
484 Assistance Fund (War Veterans Allowances)	40 to 50
485 Treatment and Other Allowances	98
MISCELLANEOUS PAYMENTS	
486 To provide for payments to the Last Post Fund; for the payment under regulations of funeral and cemetery charges, including the perpetual care of graves where applicable; for the cost and erection of headstones in Canada; for the maintenance of departmental cemeteries; for the maintenance of Canadian Battlefields Memorials in France and Belgium; for Canada's share of the expenditures of the Imperial War Graves Commission; and for production of Books of Remembrance	} 50 to 53
487 Grant to Army Benevolent Fund	
488 Grant to Canadian Legion	
CANADIAN PENSION COMMISSION	
489 Administration Expenses	101 to 146
490 Pensions for Disability and Death, including pensions granted under the authority of the Civilian Government Employees (War) Compensation Order, P.C. 45/8848 of November 22, 1944, which shall be subject to the Pension Act; and including Newfoundland Special Awards	101 to 146
491 Gallantry Awards—World War II and Special Force	101 to 146
SOLDIER SETTLEMENT AND VETERANS' LAND ACT	
492 To provide for the cost of administration of Veterans' Land Act; Soldier Settlement and British Family Settlement ...	63 to 76
493 To provide for the upkeep of property, Veterans' Land Act, including engineering and other investigational planning expenses that do not add tangible value to real property; taxes, insurance and maintenance of public utilities	76
494 To provide for the payment of grants to veterans settled on Provincial Lands in accordance with agreements with Provincial Governments under section 38 of the Veterans' Land Act and payment of grants to veterans settled on Dominion Lands, in accordance with an agreement with the Minister of Northern Affairs and National Resources under section 38 of the Veterans' Land Act	76

- 495 To provide for the payment of grants to Indian veterans settled on Indian Reserve Lands under section 39 of the Veterans' Land Act 76
- 496 To provide for the reduction of indebtedness to the Director of Soldier Settlement of a settler in respect of a property in his possession, the title of which is held by the Director, or such Soldier Settler Loans which are administered by the Indian Affairs Branch of the Department of Citizenship and Immigration, by an amount which will reduce his indebtedness to an amount in keeping with the productive capacity of the property or his ability to repay his indebtedness under regulations approved by the Governor in Council ... 76 and 77
- 497 To authorize and provide, subject to the approval of the Governor in Council, for necessary remedial work on properties constructed under individual firm price contracts and sold under the Veterans' Land Act to correct defects for which neither the veteran nor the contractor can be held financially responsible and for such other work on other properties as may be required to protect the interest of the Director therein 77

TERMINABLE SERVICES

- 498 Veterans Benefits, including Assistance and the training of certain Pensioners under regulations approved by the Governor in Council 33 to 39
- (S) War Service Gratuities (Chap. 289, R.S.)
- (S) Re-Establishment Credits (Chap. 289, R.S.)
- 499 To provide for the repayment in such amounts as the Minister of Veterans Affairs determines, not exceeding the whole of an amount equivalent to the compensating adjustment made under subsection (1) of section 13 of the War Service Grants Act or the payment made pursuant to paragraph (c) of subsection (2) of section 12 of the Veterans Rehabilitation Act, where the person who made the compensating adjustment or payment does not receive benefits under the Veterans' Land Act or where, having had financial assistance under that Act, he is deemed by the Minister on termination of his contract or agreement under that Act to have derived thereunder either no benefit or a benefit that is less than the amount of the compensating adjustment or payment made 33 to 39

VETERANS AFFAIRS

- 517 To authorize the operation of a revolving fund in accordance with the provisions of section 58 of the Financial Administration Act for the purpose of financing the manufacture of Remembrance Day poppies and wreaths, the amount to be charged to the revolving fund at any time not to exceed 39 and 40
- 518 To authorize the making of a loan by the Minister of Veterans Affairs to William J. Edwards, a veteran of World War I, in the amount of \$1,000, such loan to be repayable on demand by the Minister and to be made on the security of a mortgage acceptable to him, executed by the veteran and his wife and registered as a first charge on a parcel of land held by the veteran and his wife as joint tenants and described in the Land Registry Office, New Westminster, British Columbia, as Lot 13, Block 14, Northwest Quarter of Section 11, Township 1, Plan 14124, New Westminster District 40

Soldier Settlement and Veterans' Land Act

- 519 To provide for protection of security—Soldier Settlement, and refunds of surplus to veterans 77 to 80
- 520 To provide for purchase of land and permanent improvements; cost of permanent improvements to be effected; removal of encumbrances; stock and equipment; and for protection of security under the Veterans' Land Act 77 to 80

VETERANS AFFAIRS

Treatment Services—

- 652 Operation of Hospitals and Administration—Further amount required 81 to 98

WAR VETERANS ALLOWANCES AND OTHER BENEFITS

- 653 Treatment and Other Allowances—Further amount required ... 81 to 98

SOLDIER SETTLEMENT AND VETERANS' LAND ACT

- 654 To authorize and provide, subject to the approval of the Governor in Council, for necessary remedial work on properties constructed under individual firm price contracts and sold under the Veterans' Land Act to correct defects for which neither the veteran nor the contractor can be held financially responsible and for such other work on other properties as may be required to protect the interest of the Director therein—Further amount required 77

HOUSE OF COMMONS

First Session—Twenty-fourth Parliament
1958

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

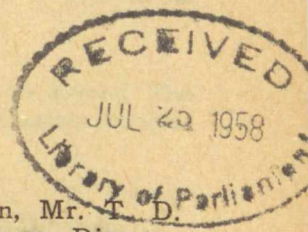
Bill C-33—An Act to amend The Returned Soldiers' Insurance Act.
Bill C-34—An Act to amend the Veterans Insurance Act.

THURSDAY, JULY 17, 1958

WITNESSES:

Mr. D. L. Burgess, Dominion President, Canadian Legion, Mr. T. D. Anderson, Dominion Secretary and Mr. D. M. Thompson, Director of Service Bureau; Mr. Lucien Lalonde, Deputy Minister, Department of Veterans Affairs, and Mr. C. F. Black, Superintendent, Veterans Insurance.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1958



STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.,

Vice-Chairman: G. W. Montgomery, Esq.

and Messrs.

Anderson
Batten
Beech
Benidickson
Bigg
Broome
Cardin
Carter
Clancy
Denis
Fane
Forgie
Garland

Herridge
Houck
Jung
Kennedy
Lennard
Lockyer
Macdonald (*Kings*)
MacEwan
MacRae
McIntosh
McWilliam
Ormiston
Parizeau

Peters
Regnier
Robinson
Rogers
Speakman
Stearns
Stewart
Thomas
Webster
Weichel
Winkler
Roberge

Antoine Chassé,
Clerk of the Committee.



REPORT TO THE HOUSE

WEDNESDAY, July 16, 1958.

The Standing Committee on Veterans Affairs has the honour to present its

SECOND REPORT

Pursuant to the Order of Reference of Tuesday, June 3, 1958, your Committee has carefully considered items 473 to 499 inclusive, and items 517 to 520 inclusive, as listed in the Main Estimates of 1958-59, also items 652, 653 and 654, as listed in the Supplementary Estimates, for the fiscal year ending March 31st, 1959, all relating to the Department of Veterans Affairs and your Committee has agreed to approve them.

During the study of the said Estimates, your Committee heard the Minister of Veterans Affairs, Honourable A. J. Brooks, and a large number of officials of the Department, namely, Mr. Lucien Lalonde, Deputy-Minister; Mr. F. T. Mace, Assistant Deputy-Minister, Mr. J. L. Melville, Chairman, Canadian Pension Commission, Mr. F. J. G. Garneau, Chairman, War Veterans Allowance Board; Mr. G. H. Parliament, Director-General, Veterans Welfare Services; Mr. C. F. Black, Superintendent, Veterans Insurance; Mr. T. J. Rutherford, Director, Veterans Land Administration; Dr. John N. Crawford, Director-General, Treatment Services; Mr. P. E. Reynolds, Chief Pensions Advocate, Veterans Bureau.

Your Committee is grateful to the Minister and his officials for their enlightening contribution to the work of the Committee during the consideration of the Estimates.

A copy of the Minutes of Proceedings and Evidence relating to the above is appended hereto.

Respectfully submitted,

WALTER DINSDALE,
Chairman.

FRIDAY, July 18, 1958.

The Standing Committee on Veterans Affairs has the honour to present its

THIRD REPORT

Your Committee has considered Bill No. C-33, An Act to amend The Returned Soldiers' Insurance Act, and has agreed to report same without amendment.

Respectfully submitted,

WALTER DINSDALE,
Chairman.

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 268.

THURSDAY, July 17, 1958.

The Standing Committee on Veterans Affairs met at 10.00 a.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Beech, Bigg, Broome, Carter, Dinsdale, Forgie, Herridge, Kennedy, Lennard, Macdonald (*Kings*), MacEwan, MacRae, McIntosh, Montgomery, Parizeau, Peters, Regnier, Roberge, Robinson, Rogers, Speakman, Stearns, Thomas, Webster, Weichel, Winkler.

In attendance: From the Department of Veterans Affairs: Mr. Lucien Lalonde Deputy Minister; M. F. L. Barrow, Departmental Secretary; Mr. C. F. Black, Superintendent, Veterans Insurance; Mr. W. G. Gunn, Q.C., Director of Legal Services; Mr. J. G. Bowland, Chief, Research and Statistics; G. H. Parliament, Director-General, Welfare Services; Mr. Leslie A. Mutch, Vice-Chairman, Canadian Pension Commission, and Mr. F. J. G. Garneau, Chairman, War Veterans Allowance Board.

From the Canadian Legion: Mr. D. L. Burgess, Dominion President; Mr. T. D. Anderson, Dominion Secretary, and Mr. D. M. Thomson, Director, Service Bureau.

The Committee called Mr. Burgess, who read a brief, and was questioned thereon.

Mr. Anderson and Mr. Thomson were questioned briefly during the presentation by Mr. Burgess.

At the conclusion of the presentation, the Chairman thanked Mr. Burgess and his aides for their valuable contribution.

The Committee then proceeded to the consideration of Bill C-33, An Act to amend The Returned Soldiers' Insurance Act, with Mr. Lalonde and Mr. Black under questioning.

Clauses 1, 2 and 3, the preamble and the title of the Bill were severally considered and adopted. The said Bill was ordered to be reported to the House without amendment.

The Committee then considered Bill C-34, An Act to amend the Veterans Insurance Act. Mr. Black made a statement and he was questioned thereon. Mr. Lalonde was also under questioning during the study of the said Bill.

During the discussion on the Bill, Mr. Speakman moved, seconded by Mr. Herridge,

That the terms of section 1, subsection 3, paragraph 1-a be amended to include those veterans who for any reason were discharged honourably from active service after World War II.

The Chairman ruled that the amendment could not be entertained because it involved an increased charge upon the public treasury.

After considerable discussion, it was agreed that the recommendation of the Canadian Legion on this matter be accepted and that the Steering Committee prepare a Draft Report to include a recommendation to the House.

Bill C-34 was then considered clause by clause.

Clauses 1, 2, 3, and 4, the preamble and title of the Bill were severally considered and adopted. The said Bill was ordered to be reported to the House without amendment but with a recommendation along the views presented by the Canadian Legion.

At 12.30 o'clock p.m. the Committee adjourned to meet again at 10.00 o'clock a.m. Thursday, July 24th, 1958.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

THURSDAY, July 17, 1958
10.00 a.m.

The CHAIRMAN: Gentlemen we have a quorum. Our order of reference is the following; that bill No. C-33, An Act to amend the Returned Soldiers Insurance Act be referred to the standing committee on veterans affairs, and further that bill C-34, an act to amend the Veterans Insurance Act be referred to the said committee.

You have received copies of these two bills this morning and you have them before you. We are honoured this morning in having with us the representatives of the Canadian Legion. The minister, Mr. Brooks, had hoped to be with us this morning and had so planned up until half an hour ago when a cabinet meeting was suddenly called, and unfortunately it takes priority. Important as this veterans affairs standing committee is, it seems that cabinet meetings have priority.

So it is my happy lot to have the privilege of introducing to you our three visitors. I think perhaps gentlemen, if you would like to come to the front, we could have a good look at you.

The national president, of course, is Mr. D. L. Burgess. As a good legionary myself I should say "Comrade Dave" Burgess. We are glad to have Mr. Burgess with us this morning. Then we have Mr. Anderson, who is the Dominion secretary and who also has a very distinguished service career. He had service in that famous night fighter squadron No. 410. Next we have "Don." Thompson, who is the service director of the service bureau in the Canadian Legion. "Don." is the gentleman to the far right.

I understand the president will present the brief and at this time, Mr. Burgess, the committee is at your service.

Mr. D. L. BURGESS (*Dominion President of the Canadian Legion*): Mr. Chairman and Members:

It gives me a great deal of pleasure, as the Dominion President of the Canadian Legion, to appear before this, Canada's first standing committee on veterans' affairs. We wish to commend the government and the house for the establishment of this committee. It is something that the Legion has requested for many years. We sincerely trust that the terms of reference of this committee will be sufficiently broad to ensure a thorough study of the problems of Canada's veterans. We are sure that such study will result in many useful recommendations for the improvement of our veterans' legislation and its administration.

We look forward to having the opportunity of appearing before this committee in the near future to submit for your consideration our views on several phases of veterans' legislation. The Canadian Pension Act, the War Veterans Allowance Act and the Veterans Land Act are, we believe, the most important of these.

I feel sure that it might be useful to members of the committee and particularly to the new members of the committee. I expect and I believe that most of you belong to the Canadian Legion and yet, being busy in other spheres, you have not been able to study the affairs of the Legion and its activities as closely as some of us who have not been engaged in such a strenuous undertaking as that in which you have been engaged. I thought

perhaps for your benefit or for your information you might like to obtain a copy of the reports of the dominion president and the dominion secretary of the convention in Edmonton. I will leave this one copy with the Chairman and will send copies to you later on. Copies can later be distributed to each member of the committee.

We realize that today your committee is dealing with bills C-33 and C-34 which refer to the Returned Soldiers' Insurance Act and the Veterans Insurance Act respectively. We will, therefore, confine our submission at this time to these two bills.

Bill C-33—An act to amend the Returned Soldiers' Insurance Act

We are in complete agreement with this bill and wish especially to commend the government for the introduction of clause 3. The amendment is one that the Legion has been pressing for over a long period and we believe that the repeal of section 10 of the act will remedy a situation that has been both unjust and unfair, resulting in many pensioners' families being without the protection that the pensioner thought he was providing.

Bill C-34—An act to amend the Veterans Insurance Act

Clause 1—We sincerely regret that this clause, amending as it does section 3 of the Veterans Insurance Act which section establishes the cut-off date for applications under this act, does not contain any provision for the extension of the present dead-line. It does, in fact, decrease the time limit for application for veterans who continued in the services.

The Canadian Legion has no quarrel with the date set, namely, September 30, 1962, but we do protest the fact that veterans who took their discharge following World War II and returned to civilian life are not given equal treatment with those veterans who chose to remain in the armed forces. As this committee knows, the Canadian Legion has always pressed for favourable consideration of those men and women serving in our peacetime forces, but since the right to apply for veterans' insurance under the Veterans' Insurance Act is directly related to service in World War II or in Korea, we fail to understand why there should be any discrimination because of a veterans choice of post-war occupation.

In our experience many veterans of World War II who returned to civilian life after the war were not, in the early post-war years, concerned with insurance but now that they have established families and seek to provide security for those families they sometimes find that because of wartime disabilities they are barred from the advantages of ordinary insurance at regular rates. We believe it would be beneficial to those veterans, and more especially to their families, if the same right were given to them—that of applying for veterans insurance under the Veterans Insurance Act up to September 30, 1962.

THE CANADIAN LEGION THEREFORE STRONGLY RECOMMENDS

That bill C-34 be amended so as to provide that all those formerly qualified to take out veterans' insurance may do so up to September 30, 1962.

We would further urge that this change be given the widest possible publicity.

So that those who have felt they were not entitled to apply for insurance will know that a change will have been made.

Mr. BIGG: Some of us were forced to return to civilian life and would have stayed in the army if we could. We were barred from this.

Mr. BURGESS: That is another point I might bring out.

Clauses 2 and 3—We are in agreement with clauses 2 and 3 and are especially pleased at the amendment proposed in clause 3. As we stated in referring to the repeal of section 10 of the Returned Soldiers Insurance Act, we believe that the repealing of section 10 in the Veterans' Insurance Act will be equally beneficial to the dependents of veterans of World War II and Korea. We commend the government for this amendment.

Clause 4—While we do appreciate the proposed extension to enable Korean veterans to apply for veterans insurance up to September 30, 1962, we are of the opinion that the cut-off date for Korean veterans' applications should bear the same relationship to the end of the Korean war as September 30, 1962, bears to the end of World War II. If this equal treatment is granted to Korean veterans they would be eligible to apply for insurance up to October 31, 1968. This would insure that the Korean veterans would receive just recognition for their services.

THE CANADIAN LEGION THEREFORE RECOMMENDS

That bill C 34 be amended so as to provide that all Korean veterans may apply for veterans insurance up to October 31, 1968.

Conclusion—In conclusion I want to again express our appreciation for the opportunity of appearing before this committee. We look forward to your work resulting in many improvements in Canada's veteran legislation. We trust that the time allotted and your terms of reference will also permit a thorough study being made of the administration of this legislation because the effects of good legislation can be, to a large extent, nullified by too strict an interpretation being employed in its administration.

The CHAIRMAN: Thank you, Mr. Burgess.

Now, gentlemen, this is your opportunity to present any questions arising from the brief to the president of the Legion, and the officers with him this morning.

Mr. WEICHEL: Mr. Burgess, what is the objection to not giving the insurance to the second world war veterans who are civilians. What is the objection to that?

Mr. BURGESS: I could not answer that.

The CHAIRMAN: That question, Mr. Weichel, I think, would be better directed to the officials of the department. There will be a statement with reference to the legislation in a moment from the departmental officials.

Mr. THOMAS: Along the same lines I would request a brief summary of the advantages of this veterans insurance. I used to know what they were but I have not had a chance to go through the act closely recently. I think it might help, at least it would help me, if we could have a summary of the benefits—the special benefits—to veterans.

The CHAIRMAN: You would like that from the director of insurance, would you?

Mr. THOMAS: Well, I would think that he would probably be the best man to do it.

Mr. HERRIDGE: Could we not direct our questions first of all to Mr. Burgess or to the officials of the Legion and follow in sequence. My friend is usually more logical.

Mr. Burgess, I would like to ask you this question. From your experience with the Legion and veterans work in general, have you found general interest of veterans in this legislation both in the first world war and World War II, because I find in some cases some people presuming that it is not of very

great interest. I am talking about civilians. I think they fail to realize the importance of this legislation. What has been your experience?

Mr. BURGESS: Those who are interested are intensely interested. There are some who are not interested, of course. There are many veterans who did not take out veterans insurance; but those who did, and those who wanted to and find themselves debarred for these reasons, are intensely interested. To them this is an important matter.

Mr. HERRIDGE: You would say there is a large body of veterans who are intensely interested, and who are interested in the amendments and suggestions you have presented this morning.

Mr. BURGESS: To the extent that these things have been asked for in resolutions at the conventions, which is indicative of a considerable interest.

Mr. BROOME: In regard to the Korean veterans, this recommendation on Korea to 1968, considering the large number of men involved in World War II and the fact that perhaps a lot of them did not really understand the benefits they could get under this legislation, the previous legislation, and the relatively small number involved in the Korean war, and the fact that that information could be disseminated quite readily to every member of the Korean forces, and that the 17 years spread that the man coming out of the Korean war had at the age of 20, which would bring them up to the age of 37, with the 17 years spread—in your submission, in regard to the Korean end, do you consider that to be of major importance? I would consider it to be a relatively minor matter, and having some cut-off date, you might have been better to have stuck to the same cut-off date.

Mr. BURGESS: The one reason that we feel as we do is that probably the same percentage of veterans who served in Korea as in the second world war, and for the same reason, failed to take out insurance, in that they were involved in many other things. They were raising families, and were scouting around. They had not been rehabilitated, and they had not settled down. It is just as important to that small number, which is approximately the same percentage we would estimate as the larger number, which would be a larger percentage, and which would be the same percentage of the larger group.

Mr. HERRIDGE: I think you would say that the same circumstances and conditions are being experienced in that respect as were experienced with the veterans of the first world war. It took some years for some of them to realize the benefits of the legislation.

Mr. BURGESS: Yes there are some around who may have served in the first world war, as I did, who realize that situation.

Mr. BEECH: Do you think we can expect an increase in interest as a result of your repeal of section 10?

Mr. BURGESS: Oh, yes. Again, it will be a relatively small number; but those who wish it are probably deprived of getting other insurance, and they will be very much interested in this. It seems to me they have the right to expect this benefit.

Mr. ROGERS: Mr. Burgess, is it not a fact that a larger percentage of those who served in the Korean war were World War II veterans as well?

Mr. BURGESS: Did you say a larger percentage? Larger than what?

Mr. ROGERS: Than new enlistments.

Mr. BURGESS: I have not got the figures. I could not estimate that.

The CHAIRMAN: Perhaps we can get that information from the departmental officials.

Mr. ROGERS: The reason I am bringing it up is that if that is a fact, it would not affect too many people.

Mr. HERRIDGE: But, Mr. Burgess, should not justice be done if it only affects—

Mr. BURGESS: I am not concerned if it only affects a few. But it affects those who have the right to expect this because others in the same category of another war are getting the benefit of it. I think, even if the percentage is small, it is not legislation that we are asking for, for a person. It is legislation for a group of people, those who wish to take advantage of it.

Mr. ROGERS: Then you think that six years more is going to give a certain group more opportunity.

Mr. BURGESS: It gives them the same opportunity as others have had in the numbers of years. It is the time lag. It is the time that one date bears to the corresponding date.

Mr. ROGERS: I am not against it. If anyone is interested in insurance they have up to 1962 to get it anyway.

Mr. BURGESS: Yes, they have up to 1962; but why should those who found themselves in the position of being retired from the services be in a different position from those who remain in the service?

Mr. ROGERS: I agree with you there; but my idea is this, that I think by having a cut-off date you accelerate it. And if you are going to extend it, would not it be better to extend it later on?

Mr. BURGESS: They only have ten years after leaving the service, but those who are in the service have ten years after leaving the service—that is, those who remained in the service after the war.

Mr. ROGERS: I see that.

Mr. HERRIDGE: The basis of the Legion's argument, Mr. Burgess, is that you are asking for equality of treatment under the veterans legislation.

Mr. BURGESS: Absolutely.

Mr. WEBSTER: On what date was the original cut-off time for the second world war veterans? Was it 1962 or previous to that? I am in the process of buying insurance now and I am going to find out whether it is a better bargain. Was it always 1962?

Mr. BURGESS: It was ten years after severing their service with the armed services.

Mr. WEBSTER: As I understand it, as a second war pensioner I can come back, up to 1962, and change my mind, under this new legislation.

Mr. BURGESS: Not unless you are in the armed services.

Mr. WEBSTER: Not unless you are in the armed services now, is that the story?

Mr. BURGESS: Yes.

Mr. BIGG: And if we amend it, he will be able to, is that right?

Mr. WEBSTER: If this amendment goes through, we will still be eligible, although we are out of the army.

Mr. BIGG: Up to 1962.

Mr. SPEAKMAN: Under the new amendment we are not eligible.

The CHAIRMAN: Mr. Thompson will make a comment on that question.

Mr. D. THOMPSON (*Director of the Service Bureau of the Canadian Legion*): It would seem that there is some confusion in the minds of some of the members that would indicate that they are of the opinion that if the amendment, as proposed in bill C-34, goes through, all world war II veterans would be eligible to apply until 1962. That is not the way we understand the bill.

The way we understand the bill, those who continued in the armed services now have until ten years after discharge—we have the case of the man who might serve until 1955 or 1956 who would have, at the present time, until 1965 or 1966 to apply. The deadline in this bill, 1962, would curb him off in 1962. But it would not extend anything to world war two veterans who did not continue in the services. It would still cut them off in 1954, and they would not now have an opportunity to apply because of the proposed amendment as the bill is now drawn. That is as we understand the bill.

In regard to the question of the interest of veterans in this insurance, I have just come back from a trip in Western Canada—particularly British Columbia—and I find that following references in the press to contemplated changes in the Veterans Insurance Act, we had a number of inquiries from veterans. I stopped in Toronto and met two chaps from world war two who had not taken advantage of the veterans insurance. They also expressed interest in it. But I do not think in many of these cases, and the same applies to Korean veterans,—there is a certain sequence that follows the phase after the chap was discharged. He gets back into civvy street and gets married and has a family. He may think about insurance. He does not do much about it. Suddenly a friend or a neighbour dies and he suddenly realizes he needs insurance. If he has a disability he has to pay higher rates to regular insurance companies. A large number of these veterans are now in the age group where they would like to take advantage of this insurance. I think some pensioners who have investigated veterans insurance realized that, because of section 10 of the act, it would not be of great value to their families; they have not bothered to take it out.

But with the repeal of section 10 I think quite a number of these people would feel it would be to their advantage to take out that insurance. Because these would be people in a class where pensions might be paid to their widows, and who if they went to an insurance company would have to pay a greater premium, an extension of the cut-off date would be of great benefit.

Mr. BIGG: I do not think that is clear yet. Is not this so, that the Legion is now saying that the act even as amended would not be satisfactory, and they want us to consider a better amendment which would include all veterans. Is that correct?

Mr. BURGESS: That is what we are asking.

Mr. McINTOSH: What would be the harm of leaving this open until 1968 for all veterans, because sometimes the disability does not show up until later years and it is too late for them to get insurance in line companies. Leave it open until 1968 for everyone.

Mr. BURGESS: I know of no reason.

Mr. FORGIE: I would agree to that.

Mr. McINTOSH: I want to know what arguments there are against it, that is all.

The CHAIRMAN: That question, Mr. McIntosh, can be directed to the departmental officials before the committee.

Mr. McINTOSH: I would like an answer to it; who is opposed to it and what are the reasons for the opposition to it.

The CHAIRMAN: The departmental officials can deal with that.

Mr. BURGESS: Our request was very modest. I would be glad if the committee saw fit to extend the dates.

Mr. PETERS: What is the financial position of this insurance plan? Does it carry itself or is it subsidized?

The CHAIRMAN: I do not think the Legion can answer that. We will delay that until the departmental officials are before the committee.

Mr. WEICHEL: I believe, Mr. Chairman, when we are talking up to 1968 we have to consider why it takes some fellows longer to establish themselves than others. Some fellows can re-establish themselves very soon; others may take 20 or 30 years to get back into civilian life.

Mr. BROOME: What is the limit of insurance under this section? Is there a limit and how much insurance is covered by it?

The CHAIRMAN: \$10,000, I believe, is the limit of insurance.

The CHAIRMAN: Are there any further questions for Mr. Burgess?

Mr. HERRIDGE: My experience has been that there is quite a percentage of small pensioners, whose pension does not amount to a great deal each month, who take advantage of the insurance because the amounts deducted from the insurance can be deducted from the small pension. I would say a larger percentage of small pensioners in relation to other groups take advantage of this veterans insurance. What has been your experience in that respect?

Mr. BURGESS: I would not know.

Mr. THOMPSON: No.

Mr. BURGESS: That is the logical sequence, but I do not know.

Mr. HERRIDGE: It has been my experience. They would say "we might as well use it to get some insurance."

The CHAIRMAN: Are there any further questions?

Mr. BIGG: I worked in rehabilitation for two years after the war, and I found that this insurance was popular with people who thought they should be pensionable, but were unable to get one. They felt that they had suffered trauma in the services. They were not getting any overseas pension and wanted to protect their families from perhaps their own fears as a result of war service. In a great many cases it was not available, or it would not be after the time limit. When these things which they thought would have entitled them to pension came up, and they thought they were going to die, they wanted protection for their families. And that is why this amendment should be broader.

Mr. HERRIDGE: I think the relatively few questions indicate that the committee is in support of the Legion's proposals.

The CHAIRMAN: Does that complete the questioning on the brief?

Mr. ROGERS: Mr. Burgess, has this interest finally come to a point in recent years in respect of insurance by veterans?

Mr. BURGESS: Yes it has, on several occasions. That is the reason we are bringing it forward, because of the interest that veterans have expressed, as they have expressed it in resolutions submitted to Legion conventions, and approved.

Mr. ROGERS: In other words it follows that when you cannot get something, you want it.

Mr. MONTGOMERY: That is about it.

Mr. WINKLER: Not necessarily. As the years go by they realize they need it.

Mr. BURGESS: We were all aware, I am sure, of the fact that veterans were not in a position to take out insurance. They had many other pressing problems before them when they were discharged from the service. They were getting jobs and raising families; and whether they were living in the country or the city, they had many debts that they thought were of pressing importance. And it was later that they realized the need for insurance because of what was happening around them, and what they became aware of. It suddenly caught up with them. They realized they could get insurance for an amount which meant they could ill afford to be getting along without it. But

the point is that the person who chose or was required to leave the service is not even getting a break with the person who stayed in for a few years or who might be in yet.

Mr. ROGERS: I see that. Has this been put before?

Mr. MONTGOMERY: What do you mean by "required to leave the service"? I do not understand that.

Mr. BIGG: I can understand it. I was retired at the age of 32 because they said I was burned out—too old. I happened to be a captain, if that makes any difference in that matter. But I was retired compulsorily. I would have stayed in the army if I had been able to. But now I am 46 instead of 32.

Mr. MACRAE: I would like to ask a question. The legislation is clear cut as it is. I presume there has not been very much argument about it, as is. Have you had any communications in reference to the bill from organizations in connection with returned soldiers insurance. I presume there has not been a great deal of argument.

Mr. THOMPSON: No, it is very clear cut. We have had a number of inquiries from time to time when the cut-off date was passed. All we could do was to advise people that they could not apply unless they had re-establishment credit left. There are very few problems arising out of it. There are many complaints in connection with section 10, but the legislation was clear cut. The officials had no discretion whatsoever. The act was clear cut.

Mr. WEICHEL: Mr. Chairman, I believe that probably it could be compared in this way, that today men who are interested in insurance were not interested in it before. It is just the same as ten years after the first war. A lot of fellows were not interested in the Legion, but as soon as they found out the value of the Legion we could get them to come into it. I think probably insurance works the same way, and these fellows start to realize the value of the insurance.

Mr. ROGERS: Is this the first time you have put this up to the government?

Mr. BURGESS: No.

Mr. A. ANDERSON (*Dominion Secretary of the Canadian Legion*): In the previous parliamentary committee we asked not only that the date-line be extended but that section 10 be taken out of the act. At that time it was not included in the terms of reference of the parliamentary committee, and they could not deal with it; but we have asked for it on several occasions.

Mr. STEARNS: What were the objections raised at that time? Could you give us a clue as to why this amendment might not be put into the act at present? Do you recall what objections were raised at that time.

Mr. ANDERSON: The terms of reference of the committee did not include dealing with section 10 of the act. While they took cognizance of our recommendation, they were unable to make a recommendation on it.

Mr. STEARNS: I do not know whether that answers my question or not. I am wondering if those who are in the army today can think of any possible objection to amending the act, and if so what would those objections consist of?

The CHAIRMAN: I think the departmental officers will be able to satisfy you on that question.

Mr. STEARNS: They are not here today.

The CHAIRMAN: They are sitting in the back row, Mr. Stearns, looking very wise.

Mr. STEARNS: Let us ask what the objections were. Perhaps we can find a way to get around it.

The CHAIRMAN: They will be dealing with the bill as soon as we have finished questioning Mr. Burgess.

Mr. THOMAS: As I understand the brief, the Legion are making no definite recommendations as far as bill C-33 is concerned.

Mr. BURGESS: That is right. We are making no recommendation.

The CHAIRMAN: Are there any further questions? Thank you, Mr. Burgess, Mr. Anderson and Mr. Thompson. There is nothing further you have to say at this time?

Mr. THOMPSON: If I might say one word in connection with the extension of the insurance; I am sure that many of the departmental officials, particularly the officials of the Pension Commission, the War Veterans Allowance Board, the Welfare Services and those who are interested in the Service Bureau have known many cases where the veteran dies and the widow and family are left destitute and are trying to establish a pension claim to qualify for war veterans allowance for the widow and children. They will have seen the family left, but without any insurance shown. So I think that anything that could be done to make it possible for these people to get insurance would be a good measure. Every single person benefits. It is not the veteran you are helping, but the widows and children who are left after the veteran has gone.

I think there is need for any extension which could be granted.

Mr. HERRIDGE: I think that is very well put.

Mr. WEICHEL: That is probably one reason why we should extend it to 1968.

The CHAIRMAN: That was a statement, not a question.

Now, gentlemen, we have with us the deputy minister, Colonel Lalonde, and Mr. Black who is the director of insurance. You have met both these gentlemen on former occasions. They are backed up by other officials from the department.

Some of the questions you asked a few moments ago which could not be answered at that time might now be directed to these officials. But I think they would like to make a general statement by way of introduction.

We shall deal with bill C-33 first, and I now call on Mr. Black.

Mr. C. F. BLACK (*Superintendent, Veterans Insurance, Department of Veterans Affairs*): Mr. Chairman and gentlemen, I would like to make a brief statement now.

Following World War I the government saw the desirability of providing an opportunity for returned soldiers to secure life insurance protection, particularly for those who had disabilities which would prevent them from obtaining policies at standard rates from insurance companies. A number of these would be pensioners but in some instances no pension would be awarded to the soldier's dependents on his death. Accordingly, after considerable discussion and consultation with representatives of the insurance industry, the Returned Soldiers' Insurance Act was drafted and passed in 1920. It provided that life insurance up to a maximum of \$5,000 could be obtained by all veterans of World War I and their widows, subject to certain very low medical requirements.

As the main purpose of the act was to provide protection for the veteran's family the class of beneficiaries consisted of the spouse and children, and any member or members of that class could be named as beneficiary. A further class of beneficiaries who could be selected to receive the proceeds, in the event that no member of the first class survived, consisted of the insured's parents, brothers and sisters, grandchildren, etc. If no member of the first class of beneficiaries survives the insured and no member of the second class presently known as alternative beneficiaries is named and survives, the insurance proceeds become payable to the insured's estate.

As the insurance under this act was intended to provide family protection the plans available were all designed to this end. They were single premium life, ordinary life, which has since been changed to life with premiums payable

to the policy anniversary nearest the insured's 85th birthday, and 10, 15 and 20 payment life, and a plan providing that premiums were payable to the anniversary nearest the insured's 65th birthday.

Returned soldiers' insurance was available from 1920-23, when eligibility to contract for new policies ceased. It was resumed however in 1928 and continued until 1933. Since August of that year no new policies have been issued.

The premiums charged were non participating, that is, no dividends were anticipated nor have any been paid. All premiums received under the provisions of this act have formed part of the consolidated revenue fund.

Now, gentlemen, that is all I wish to say at the present time.

The CHAIRMAN: Thank you, Mr. Black. I think it would be in order if we completed our consideration of bill C-33 before we proceed to deal with bill C-34.

Before we consider bill C-33 clause by clause perhaps you have some questions to ask Mr. Black concerning it, and I mean bill C-33 only.

Mr. MACRAE: I would like to ask how many veterans of World War I took advantage of the Returned Soldiers' Insurance Act, and how much insurance is presently in force under that act?

Mr. BLACK: The total number of policies issued under the Returned Soldiers Insurance Act was 48,319, and for an amount of \$109,299,500.

On June 30 of this year the number still in force was 10,570, for an amount of \$22,362,060.01.

Mr. MACRAE: Thank you.

Mr. THOMAS: May I ask the number of policies which are still in force?

Mr. BLACK: 10,570.

Mr. BIGG: What percentage of these policies has been paid over to beneficiaries? Did any of them lapse? Did the veterans benefit from taking these out, or did the policies lapse before?

Mr. BLACK: We have some figures on that. You may appreciate that the data from earlier years has been found to be incomplete. However, I have the result pretty closely.

The number of policies which were terminated by death is approximately 12,000. Those that have been surrendered total something over 16,000.

Mr. BIGG: That is what bothers me because it appears that these veterans are paying for protection for 20 years and then they die just before or just after their policy has lapsed.

Mr. BLACK: If a policy is surrendered, they get the cash value. There is a provision in the contract which allows them to do that with the consent of the primary beneficiary.

Surrenders are based upon family circumstances and economic conditions, and we have no control over them. It is automatic.

Mr. MACRAE: They had protection all that while.

Mr. BIGG: Here is a veteran who has got into bad circumstances and he surrenders his insurance. His family is still left without protection.

Mr. MACRAE: That will happen in the case of any insurance.

Mr. HERRIDGE: Would not a great percentage of these surrenders have taken place during the economic depression following World War I? I know a number who surrendered their policies because they were hard up.

Mr. BLACK: Yes. When I quoted the number of surrenders I perhaps should have said that a large proportion of them were surrendered by policy holders who then took out new insurance.

It is rather interesting to note that the surrenders, for instance, in that total which I gave you, in the years 1933, 1934 and 1935, when the act was reopened, totalled over 4,000; whereas new issues in 1928-1929 numbered 4,000; in 1930, 3,000; and so on.

There is a good relationship there between the people surrendering policies and taking out new insurance. And we have found that to be the policy under the other act.

Mr. BIGG: There are still 20,000 which lapsed.

Mr. BLACK: No.

Mr. BIGG: 12,000 were turned in at death, and 16,000 were surrendered.

Mr. BLACK: Something like 8,000 have been terminated by lapse, or by extended term insurance expiry.

One of the provisions of the act is that if a man has been paying premiums and does not wish to surrender, we give him term insurance for a limited period at the end of which time the policy expires. Those which lapsed as expired totalled something over 8,000.

Mr. WINKLER: I would like to ask if this scheme functions in connection with the consolidated revenue fund, or is it a self sustaining scheme?

Mr. L. LALONDE (*Deputy Minister, Department of Veterans Affairs*): I shall answer your question to the best of my knowledge. We have been told by the treasury people that originally it was intended that the insurance scheme would be self sustaining because it is not an alternative benefit in the rehabilitation program.

Anybody who had university training or who was settled under the Veterans' Land Act was eligible at the same time to take out an insurance policy. All the money went into the consolidated revenue fund and they maintain that if the forecast of claims is actuarially correct, the value in the fund is sufficient to take care of commitments on the policies which will become payable in future.

The control of the fund itself does not rest with our department.

Mr. WINKLER: Therefore you cannot answer my question directly, that it does function as a cost to the government.

Mr. LALONDE: It has not, I believe, cost the government anything until now, except for the interest which was added for a while to the fund to make it solvent.

Mr. WINKLER: But it is now costing money to function?

Mr. LALONDE: No. The cost of administration is absorbed in our departmental estimates each year. Of course the administration of the insurance scheme has cost the government money because we have had to take on some staff to deal with the insurance problems and the administration of the whole scheme.

Mr. STEARNS: Well, sometime over a period of years it has some relationship to it. I notice in the schedule that rates for veterans insurance are higher than the rates scheduled for returned soldiers. How do these two compare? They are quite a bit higher now than they were in 1920, when you compare them to the cost per thousand.

Nevertheless, we are all supposed to be living longer. There must have been some place along the line when you found you were not making any money out of it.

Mr. BLACK: The rates were computed for this act in 1920, and it was indicated at that time that they were comparable to corresponding rates charged by private insurance companies for non-participating insurance.

They are based on the British table of mortality, and they were actuarially calculated exactly.

When consideration was given to veterans insurance during the latter part of World War II, the same theory was followed: that the rate would be competitive with those charged by private insurance companies for the same type of non-participating contracts. They were so drawn, based again on the British mortality table.

The interest allowed on the earlier rates, that is, in the computation of rates, was 4 per cent. But those in the second case were 3½ per cent and that basically accounts for the difference.

Veterans insurance rates were slightly higher but the interest rates in the meantime had gone lower. That accounts for it.

I might say that in neither instance have the rates been increased or changed since the original concept.

Mr. MACDONALD (*Kings*): The cash surrender value under both of these acts is not negotiable as an instrument for borrowing.

Mr. BLACK: No. The policies are not accepted by financial institutions as collateral, because there is a provision in each act that the proceeds of the policy are not to be subject to the claim of creditors of the insured or of the beneficiaries.

Mr. MACDONALD (*Kings*): I think that constitutes a weakness in the act. Suppose a man is all right and he wants to borrow. He cannot do so under these acts, yet he could do so under an outside insurance company policy.

Mr. LALONDE: This provides you with one kind of protection and eliminates another.

Mr. WINKLER: I disagree with Mr. Macdonald. I think in such a case the man should be insured by me.

Mr. BLACK: We have had no criticism of that provision of which I am aware.

Mr. HERRIDGE: My experience has been that while technically it is correct, nevertheless when you are dealing with any banking institution, these things are all taken into account. A local bank manager will know all the circumstances and he will say: here is a man who has a \$5,000 policy. It is a material fact which helps him to obtain a loan.

Mr. BEECH: Might I suggest that the abolition of section 10, will, no doubt, cut down the rate of surrender of these policies.

Mr. BLACK: I think it would have, under this act, very little effect. The effect of section 10 of the act now is limited.

Its main effect is in the earlier years. But I think it would have no detectable effect on the returned soldiers insurance.

Mr. WEICHEL: Could you tell us the number of veterans who have taken out government annuities?

Mr. LALONDE: I think that matter is handled by the Department of Labour, Mr. Weichel.

Mr. WINKLER: I am ignorant of how this scheme functions. Does the government farm out this insurance to recognized companies?

Mr. LALONDE: No, sir, it is handled by the government completely.

Mr. WINKLER: Is there any particular objection that you know of for not extending the time limit? I would like to know this for my own information. I mean, in extending the time limit beyond the present date. That is why I asked this question before.

Mr. LALONDE: You mean on returned soldiers' insurance?

Mr. WINKLER: Yes.

Mr. LALONDE: In the case of World War I, all you would get would be applications from people who would be close to 60 years of age, and they would certainly take out all the insurance they could on that basis which would make the fund insolvent in no time.

Mr. WINKLER: I did not appreciate that fact. What I had in mind was this: I did not have the veterans of World War I particularly in mind when I asked my question.

The CHAIRMAN: I think you are referring to bill C-34 which will be dealt with as soon as we have finished with this bill.

Mr. MONTGOMERY: I was going to confirm what I thought I understood: that under the Returned Soldiers' Insurance Act there has been no new insurance taken out since 1933.

Mr. BLACK: That is right.

Mr. MONTGOMERY: This is just a case of payment of claims. That is all it has to do with.

Mr. MACDONALD (*Kings*): How large a staff do you have to administer this scheme?

Mr. BLACK: Perhaps I should review the staff situation since the Veterans Insurance Act was initiated and the branch was set up in 1945.

We started out with a staff which was comparatively inexperienced and small. But it rapidly increased so that at the time of maximum activity under the Veterans Insurance Act it numbered 38.

In 1950 we absorbed the administration of the Returned Soldiers' Insurance Act which previously had been handled by the Canadian Pension Commission.

Due to increase in efficiency, largely, we have been able to cut down the staff so that at the present time there is a total of 19 including the superintendent of administration of both acts.

The CHAIRMAN: Let us consider the bill clause by clause.

Mr. BROOME: May we not consider the bill in toto?

The CHAIRMAN: I am sorry, but we must proceed with it in the regular way.

Clauses 1 to 3 inclusive agreed to.

Preamble agreed to.

Title of the bill agreed to.

Shall I report the bill?

Agreed to.

Now, gentlemen, we have bill C-34 before us, and in order to shorten the discussion on it, Mr. Black will make a statement.

It has been suggested that when we get to the clause by clause discussion of the bill—this might abbreviate preliminary discussion—it has been suggested that on each clause Mr. Black should make an explanatory statement so that there will be an opportunity to cross examine him fully thereon.

I now call on Mr. Black.

Mr. BLACK: Gentlemen, this is a general statement covering the Veterans Insurance Act, which is similar to the statement I made concerning the Returned Soldiers' Insurance Act.

*Statement on Veterans Insurance to
the Standing Committee on Veterans Affairs*

Veterans insurance is the World War II counterpart of returned soldiers insurance. During the war the planning for the rehabilitation of veterans included the study of life insurance proposals. It was decided to initiate a

program similar to that provided under The Returned Soldiers Insurance Act. The Veterans Insurance Act was accordingly prepared and passed in 1944. It became effective February 20, 1945 and the first policies were issued on April 1, 1945.

Eligibility was provided for veterans following discharge, for widows of those who had died during service and for various categories of persons such as those merchant seamen who were eligible to receive a war service bonus or a special bonus, fire fighters, special operators, auxiliary services supervisors, members of the women's royal naval services and the South African Military Nursing Service. Serving members in the regular forces who had service during the war were also eligible. The period of eligibility initially was three years for everybody. It was subsequently extended to six years. In 1951 the period was again extended, this time to December 31, 1954 on which date eligibility expired for widows, merchant seamen and those who remained in the regular forces. Veterans could, however, apply until 10 years after their discharge if that were later. Those who saw service in the Korean theatre of operations and their widows were also given eligibility under this act. Their eligibility expires on October 31 of this year. The only other period of eligibility which need be mentioned is that afforded by section 12(3) of the War Service Grants Act which provides that if a veteran of World War II still has unused re-establishment credit sufficient to pay the initial premium, he may apply for veterans insurance up to January 1, 1960, or 15 years after discharge, if later.

As under Returned Soldiers Insurance, the plans of insurance offered by this act were confined to those providing protection. They were 10, 15 and 20 payment life and life with premiums payable to age 65 or 85. The premiums, while not the same as those under the former act, were competitive with premiums charged by insurance companies for corresponding non-participating policies.

The premiums charged were non-participating, that is, no dividends were anticipated nor have any been paid. All premiums received under the provisions of this act have formed part of the consolidated revenue fund.

From the inception of this act up to June 30 of this year, 42,508 policies have been issued for a face amount of \$133,870,000. Of these policies, 28,523 for a face amount of \$86,243,034 were in force on June 30. The average policy under this act as you will note was somewhat over \$3,000 while the average under the earlier act was about \$2,000. The maximum veterans insurance available is \$10,000 as opposed to \$5,000 of returned soldiers insurance.

Now I shall carry on and make a statement concerning clause 1 which we can then discuss if you wish.

Explanation of Clause 1 of Bill C-34, an Act to amend the Veterans Insurance Act

Clause 1 of the bill provides a firm cut-off date for eligibility for members of the forces who saw service during the war which, for the purpose of the Veterans Insurance Act, ended on September 30th, 1947. As I mentioned earlier, those persons who served during the war and remained in the forces were eligible to contract for this insurance until December 31st, 1954, thus giving them a period of some 8 years in which to apply. Due to a justice ruling on the interpretation of the definitions of this Act and the meaning of "active service", which was changed by the Department of National Defence in 1950 to include service in the regular forces, such members again became eligible for a period of 10 years on their release from the regular forces. It was not intended that in addition to the period of eligibility which these members had until 1954 they would have an additional 10 years which might start from,

say, 1965. It is in order to correct this anomaly and to provide all members who might have anticipated future eligibility with an opportunity to obtain this insurance they will now have until September 30th, 1962.

The CHAIRMAN: Is there any discussion on clause 1?

Mr. WINKLER: My questions will be relevant, I trust. Again I assume that you are not in a position to tell me whether or not this insurance act functions at a cost to the government?

Mr. LALONDE: All I know is that, for the claims which have had to be paid on veterans insurance since its inception, the amount was covered by funds in the consolidated revenue raised through the premiums paid by the insured.

Mr. WINKLER: My next question is this: you made a statement that the rates were comparable or competitive with those of companies in the insurance field with a similar type of insurance. Is that correct?

Mr. BLACK: That is correct.

Mr. LALONDE: For a similar type of insurance.

Mr. WINKLER: Yes, for a similar type of insurance; and at that rate I would be inclined to believe that in as much as the private insurance companies are not operating on an altruistic basis, I assume that the government would be making some profit in the matter.

Mr. BLACK: Perhaps I might say that in the case of private insurance companies there are very strict medical standards adhered to, whereas under both of these acts, the medical standards are very, very low.

Anyone with a reasonable expectancy of life has to be accepted.

As a result we have many policyholders accepted who have not been accepted by private insurance companies. As a matter of fact the private insurance companies often refer applicants to us when those applicants have been declined by them. This is a more expensive fund to operate than the method of operation followed by the private insurance companies.

Mr. WINKLER: I agree with you, and by the same token if it were to be recommended at that rate I do not think there should be too much objection about any extension of the date to apply from the date of application, or would you have any comment thereon?

Mr. LALONDE: I am afraid, Mr. Winkler, that as far as we are concerned, we shall never know whether the government had made any money out of this or not, until they have paid all the claims. Then they may give us a report and say: we have received so much in the way of premiums and we have paid out so much for claims.

That will occur only when all the claims will have been paid for returned soldiers insurance. However, that, I think, has no bearing on your question as far as the department is concerned. It may have some bearing as far as the treasury is concerned.

Mr. WINKLER: It was only for my own information that I asked the question.

Mr. LALONDE: The question you asked was: why cannot the cut-off date be extended for all veterans? Wasn't that it?

Mr. WINKLER: That is quite right.

Mr. LALONDE: Well, I am afraid—I know you realize it—that I am not in a position to tell you whether that could be done or not. It is government policy and it is your decision alone which will determine whether it is desirable or not.

The only thing I can do is to give you the pros and cons of the suggestion. In favour of it would be the argument that there should be the same cut-off date for everybody. That would be a strong argument in favour of it.

But against it, there is the precedent that you are extending eligibility for insurance up to a point where it might become dangerous for the government to accept new policies under low medical standards and invite veterans who have reached the higher age group to take out insurance which of course is less costly to them, but which might very well render your fund actuarially unsound.

The comparison between what was referred to as the civilian veteran, those who were discharged after World War II, and those who remained in the forces is perhaps not a proper one to make for this reason. As Mr. Black has explained: it was intended by parliament that the veterans of World War II would have first three years, then six years, and then ten years after discharge in which to be eligible for insurance.

At that time parliament decided that those who remained in the forces would have a certain period of eligibility which was until December 31, 1954.

This was made known to all the people interested, and quite a few of them took out insurance on that basis. But before this cut-off date came along, in 1950, when the Korean action started, the Department of National Defence amended the National Defence Act by placing on active service, not only those who served in Korea, but all of the regular forces.

This immediately resulted in the members of the regular forces who had served in World War II and who stayed on after the war being eligible under the Veterans Insurance Act for a period of ten years after their discharge from the regular forces.

This meant that World War II veterans, who stayed in the forces after the war, until they reached the age of 50—which might happen in 1965—would then be eligible for another ten years under the wording of the present act. I point out again this was not the intention of parliament, but it just happened that way.

For ten years from 1965 to 1975 they would be eligible for insurance. So, a man might say: I will take a chance. I will not take out insurance now, but consider the matter later.

When I am 55 or 60 I will pay the rate which was originally set for this type of insurance and I will take a straight life policy and may be I will only have to pay for five or ten years, yet my family will get the same protection.

Such action taken now by members of the regular forces would allow for that interpretation, and it has created a problem which did not exist before and which was not intended to arise.

Those who were in the regular forces prior to 1950 and who took out insurance at a younger age,—whether a 20-payment life or a straight life—had to pay certain fixed premiums.

On the other hand it was felt that it would be unfair to amend the act and to say to these people: we are going to take away this acquired right without giving you a chance to make up your mind between now and 1962 as to whether or not you are interested in this insurance.

That is the period we think is sufficient for these people to make up their minds, even if they are still serving. At the same time it does not project so far ahead that it will possibly create a dangerous situation for the insurance fund.

Mr. WINKLER: I have one more question: is it possible for you to get the information regarding the cost of the probable contribution?

Mr. LALONDE: We can try to get it.

Mr. STEARNS: And when you are getting it, Mr. Chairman, could you not— you have had almost 40 years of experience with the Returned Soldiers' Insurance Act now, and if your contribution, and the premiums paid were higher than the amount paid up to date, you would have a fairly good indication of what will happen with the veteran's cost alone.

If the fund is solvent now, you will probably have a pleasant future to look forward to.

Mr. LALONDE: You will see, when we come to another clause, that we suggest that you spend more money to pay some of the claims for present policies and the effect it will have on the fund. We know how much money that will require.

The elimination of section 10 from the act also creates another possible problem for the future.

If you open up the act at this stage for everybody, then,—because the provisions of section 10 are taken out of the act—all those who are pensioners and who are in bad health will want to take out insurance although they did not want to do so before. That is quite legitimate. You cannot blame them for it, but they are not the best risks from an insurance point of view. I think I am right in saying that the fund has remained solvent. This may be because 50 per cent of those who have taken insurance under either act are in perfect health; they are not pensioners and are therefore presumed to be in good health. Of course they are very good risks. They have helped to pay for the bad ones.

If we were sure that by extending the act we could get a good proportion of good and bad risks, then there would be no basic objection.

Mr. SPEAKMAN: Mr. Chairman, reading section 3(1a):

No contract of insurance may be entered into by the Minister after the 30th day of September, 1962 with a person who was discharged from the regular forces after the 30th day of September, 1947.

The interpretation there on "regular forces" I presume applies to the regular army and not the war time army?

Mr. LALONDE: No, sir, that is in regard to peace time service.

Mr. SPEAKMAN: In regard to the peace time army?

Mr. LALONDE: That is right, sir.

Mr. SPEAKMAN: If you were to interpret that another way it would re-open this to people who were discharged in 1945-46.

Mr. LALONDE: You will see that in order to cover everybody the Department of Justice had to insert two sections; the first one is subsection 2 saying that the minister can enter into a contract at any time before September 30, 1962, with a member of the regular forces who was not released from the said forces and who was engaged in service during World War II.

There are other people who had service in the regular forces but who were discharged for instance in 1954. Under the interpretation of the present terms of the act they would have had until 1964. We now say it was not intended that we should give them preferential treatment to that extent but we will give them until 1962 to make up their minds.

Mr. SPEAKMAN: In any event we would have to add a further amendment to re-open it?

Mr. LALONDE: Yes, for civilian veterans.

Mr. SPEAKMAN: In respect of people who returned to civilian life for one reason or another—age or any other reason?

Mr. LALONDE: Prior to 1947, yes.

Mr. BIGG: Do you propose to do that now?

Mr. SPEAKMAN: I would like to propose that we do that.

The CHAIRMAN: We can deal with that before we conclude our considerations in respect of clause 1. I think there are some more general questions first.

Mr. PETERS: The question I was going to ask has been asked by Mr. Winkler. However, I would like to go a little further.

I do not see why this information should not be available to the committee in respect of the financial statement of the fund itself.

Also, the federal government in some branch must have, I am sure, a group of people who are actuaries who would be able to arrive, in view of the old settlement act and the Returned Soldiers' Insurance Act, at actuarial figures in regard to what this would amount to. Personally I would not like to see it advanced so far that it would become detrimental, but at the same time I am in complete agreement with what has been said about extending it.

I think there has always been a tendency to assume, because someone is a pensioner, or because they are not medically fit for military service that their life expectancy has been cut down.

Maybe it is because we know them better, but I find that in the legion there is a larger percentage of older people than I find in any other walk of life probably because of the original medical treatment they received.

I think actuarially this coverage could be extended without harming the situation.

Mr. CARTER: Mr. Chairman, is it in order for this committee to make amendments which might cost the government money?

The CHAIRMAN: That is a problem we must face when we reach that point, Mr. Carter.

Mr. McINTOSH: I want to go further with my original question in regard to the year 1968 for all. Colonel Lalonde answered part of that question. He said it would be very easy to do this as far as administration is concerned, by wrapping it all up in a package policy.

I think we all agree that this has to do with veterans who were prematurely burned out as a result of war service. I think a lot of us here have aged because of our war services, whether we realize it or not.

The statement has been made that the fund is now solvent. It could be extended to 1968. Was this fund ever intended, in the first place, to remain solvent? I do not believe it was. If the figures show this fund can remain solvent then the ordinary insurance companies would take care of these veterans. This is a benefit for the families when this insurance is in force. Regardless of what happens the families which are left become a charge to some form of government, one way or another. What difference would it make if the fund was extended to 1958 for all veterans of the world wars? You say they would start taking out insurance in later years. They would be taking the chance on another five or ten years, that might be so, but if the veterans find they need this insurance and find they cannot get the insurance, it would certainly give them a great deal of peace of mind if the government would let them pay the premiums.

I do not know whether the premium increases as you get along in years or not. A veteran is in a little different position than the man on "civvy street". His ailment may not arise until later years. Some of the doctors that the veterans would go to see would agree that the ailment was not attributable to war service, but others say it was.

In the mind of the veteran there is always that doubt. If he had not been in the service he would not have this disability. I think this coverage should be extended to 1958 for all of them.

Mr. LALONDE: That is a matter of policy, Mr. McIntosh. This raises one point which I think should be kept in mind by the committee.

If veterans insurance becomes a veteran's benefit—by that I mean something which you give to the veteran—then all veterans who had service under normal conditions should get that benefit. This benefit should not be for the few who chose to take it.

At the moment the veterans who want to take out this type of insurance can do it within the period of eligibility. Only those who decide that they want the insurance receive the protection given under this act.

The greatest advantage, of course, is that they do not have to go through medical examinations.

Mr. McINTOSH: The only thing I wanted to point out there is that you have in the past extended it from one period to another—from 23 to 33, and then six years, eight years and ten years. When a young veteran was discharged after World War II he was busy raising a family. In the ten years when his children are young he has not the money to pay insurance premiums.

Mr. LALONDE: I am afraid we all went through that period.

Mr. McINTOSH: Everyone is entitled to this. There will be a lot of veterans who will not take advantage of it. I am not interested in the protection being offered to those who do not need it but to the ones who actually need it.

Mr. LALONDE: Would that not bring you right back to what I said? You would be covering only those veterans who consider themselves to be bad risks.

Mr. WINKLER: Mr. McIntosh, do you not think we should wait until we receive the information I asked for before we express an opinion?

Mr. STEARNS: I think it is amazing that under the Return Soldiers' Insurance Act that the fund is solvent after close to 40 years because many of the veterans of the first war came back suffering from gas injuries which could not possibly have been caused in any other way. They either died within the first 10 or 15 years or recovered through God's kindness. After 40 years it is amazing this fund is still the same.

Mr. LALONDE: World War I veterans were quite durable, Mr. Stearns. When we look at the ages of some of the veterans who are still receiving war veterans allowances we find that they are between 85 and 95 and still in pretty good shape.

Mr. HERRIDGE: Mr. Chairman, first of all as an older member of the committee I would advise the younger members not to touch too deeply into the durability of veterans of World War I.

Mr. Chairman, the deputy minister in his—as I consider it—very careful explanation of the delicate balance between the pros and cons of all these arguments indicates that he has great appreciation for the function of the senior civil service. I would like to ask him one or two questions.

Were these men in the regular army placed on active service by order in council?

Mr. LALONDE: By amendment to the act, I believe, sir.

Mr. HERRIDGE: By amendment to the act.

Mr. LALONDE: By amendment to the National Defence Act.

I am sorry, I have the right answer now, Mr. Herridge.

This happened first by order in council which was subsequently confirmed by amendment to the act.

Mr. HERRIDGE: Thank you.

Mr. ROGERS: The point that I see here is—I am wondering if I am right—we are giving the veteran who is in the regular force today something that his brother veteran could not get. In other words we are giving the veteran in the regular force up to 1962 to apply for this insurance.

Mr. LALONDE: You will realize, Mr. Rogers, that he had a shorter period of eligibility before.

Mr. ROGERS: I agree with that but I still do not think it is right. I think this is discriminatory.

Mr. McINTOSH: I do not agree with that. I think the brother veteran lost six years of his life at a time when he could have been earning something.

Mr. LALONDE: That is not what I meant. The veteran of World War II remaining in the regular force was eligible up to December 31, 1954 under the terms of the act. The veteran of World War II who was discharged from war service had ten years from the date of his discharge. If he was discharged in 1946 then he had until 1956, so he had a longer period than the man who stayed in the regular force. That is what I meant.

Mr. ROGERS: There is just one thing I want to point out. The veteran who was in the regular force had a better opportunity of taking that insurance out than many of the veterans who went back to civilian life.

Mr. LALONDE: You are speaking from a financial point of view?

Mr. ROGERS: Yes.

Mr. LALONDE: That is possible, yes.

Mr. BIGG: I believe there is another feature to this subject. In peace time service one is not subject to the same drain on mental and physical resources. At least not to my knowledge. Twenty years in the P.F. never killed anybody to my knowledge.

Mr. SPEAKMAN: Mr. Chairman, the same point is bothering me that is bothering other people here. A man who was, for one reason or another honourably discharged in 1945-46 was faced with the problem of complete rehabilitation after his war service whereas the veteran who remained in the regular army had his rehabilitation entirely taken care of for him.

There is no question in my mind but that the regular force today is very well looked after. To my mind service in any of our forces is as fine a career as any young man can choose.

I would like to, at the proper time, propose a further amendment to section 1 subsection 3(1a). Is this the proper time to propose such an amendment?

Mr. MONTGOMERY: Mr. Chairman, we are dealing, as I understand it, with this extension for the persons who are now in the regular forces, and only dealing with that. While we are discussing the extension of the period for which the veteran may take out insurance to the same date, I do not think we are in order in bringing in amendments to extend that time. At least, I am not prepared to support such an amendment at the moment.

I do not think we should continue to extend this insurance privilege to veterans who, as they get older and their life expectancy shortens, feel they want to help their grandchildren and people like that.

Mr. BIGG: The rates go up.

Mr. MONTGOMERY: The rates do not increase very much. I am inclined to think that this period to December 31, 1962 is just a little too long a period to give these members of the regular force an opportunity of taking out this insurance.

If I was going to propose an amendment to this at all I would say it should be cut down to 1960. I think these men should make up their minds pretty quickly if they want insurance.

Mr. HERRIDGE: Mr. Chairman, can we move an amendment?

The CHAIRMAN: I was just going to speak on that point.

Immediately we start amending the bill which we have before us we are faced with the problem that this committee may be moving an amendment that is going to increase the cost. This committee is really an extension of the House of Commons.

Unfortunately we do not have the information before us at the moment in regard to—

Mr. SPEAKMAN: The Standing Committee on Veteran Affairs can make a recommendation.

Mr. HERRIDGE: We can make recommendations.

The CHAIRMAN: Oh, yes. Just a moment, I have not finished my statement.

We have been endeavouring to discover the extent of the additional expenses that this will incur. Unfortunately we have not been able to obtain that information. There have been some strong hints that we should extend the privilege generally to 1962. This would upset the actuarial balance of the veterans insurance program. There has been a further suggestion that we extend this to 1968. Certainly we have no insurance that that would not disrupt the actuarial balance of this veterans insurance scheme.

Immediately someone proposes an amendment of this kind in a committee we have to face that hurdle. Will such an amendment mean additional expenses or will it not? If it does then we have no power to propose it. We do have the power to make strong recommendations to the House of Commons.

Mr. MONTGOMERY: That is exactly what I was coming to. If we want to make a recommendation that is something different.

Mr. SPEAKMAN: Mr. Chairman, at this point I would like to make a recommendation not only to extend the time, but that the terms of section 3(1a) be amended to include those veterans who for any reason whatsoever were honourably discharged from active service after World War II.

Mr. BIGG: Could we have some information in regard to the actuarial situation so if necessary we could recommend an increase in rates so there would be no drain on the treasury? If the objection is purely a monetary one the veteran could be charged the extra amount.

Mr. HERRIDGE: Mr. Chairman, if—

Mr. MCINTOSH: I would suggest that we—

The CHAIRMAN: Could you speak to the chair, please, one at the time?

Mr. BIGG: If it is only a question of drain on the treasury perhaps we could get around that by charging the veteran more for the protection he needs. He could still turn it down, but if he wanted it he could pay another three cents a hundred for it or whatever is required. A veteran may think he needs protection, but he may be wrong in thinking he needs it and may live to a ripe old age.

Mr. HERRIDGE: I suggest that we acquire all the information we can by going through these clauses of the bill as we are doing now and then have a special session of the committee to deal with the proposed amendments of the legion and other amendments that members of this committee propose, and after that general session we can tie up the report with our conclusions and recommendations.

Mr. SPEAKMAN: We are trying to re-open this so the active service veteran is given the same privilege as the regular army veteran.

Mr. LALONDE: Would you mind, Mr. Speakman, not using the term "active service" because that is what has caused all the confusion.

Mr. BEECH: Mr. Black, have you any knowledge as to the loss ratio as compared to other line companies?

Mr. BLACK: I beg your pardon?

Mr. BEECH: There has been a lot of talk about the added risk because they were veterans. What has been the actual loss ratio as compared to other line companies? Is it very much greater?

Mr. LALONDE: You are referring to the veterans insurance or the returned soldiers' insurance?

Mr. BEECH: The returned soldiers' insurance. That would give a better picture.

Mr. CARTER: Could I ask if it is possible for a member of the merchant marine, or the merchant navy to benefit under this legislation?

Mr. LALONDE: Their cut-off date was December 31, 1954, the same as the widows of veterans who had died during the war, and the same as firefighters and other groups.

Mr. CARTER: If we are going to give any extension to the other groups we certainly should include them.

Mr. LALONDE: That suggestion would be up to the committee to recommend.

Mr. CARTER: Yes, I would like to see the merchant navy taken care of.

The CHAIRMAN: Mr. Black will speak on this question.

Mr. BLACK: I have some information in answer to Mr. Beech's question which was, "Are our veterans surviving as long as policyholders in other companies"?

As you will appreciate, insurance companies do not accept everybody. They are rather restrictive medically. We do not have access as to their exact experience. Nor are we particularly interested because they select the group they want to insure. We can and have compared the death claim experience under veterans insurance with the general male population as revealed by census statistics.

We have found, for instance, in the last several years, that in each year the death rate among our policyholders is higher than the death rate among the general male population for corresponding ages. For instance in 1957-58 it was 113.9 per cent and the rate the previous year was 110, and in the previous year was 109, so there is somewhat of an increase which is due to the bad risks we knowingly take under the act.

Mr. LALONDE: There is another factor involved which makes it difficult for us to give you any accurate information as to what the extension would mean. There is no way of knowing the number of new policies that would be issued.

Since the dead-line in 1954-55 the superintendent of insurance has had, he tells me, approximately 300 inquiries from people who were interested in taking out new policies but who were told that their eligibility had expired. Does that mean that the response would be small or does that mean that a lot of people who might be interested in taking out new policies just do not come forward? We do not know the answer to that. We cannot tell you that this extension would cost so much, or would not cost anything.

Mr. McINTOSH: Can you tell us what the percentages are?

Mr. LALONDE: Yes, we can tell you that.

Mr. BLACK: In the period 1920-23 there were 33,577 policies issued. In the second period of five years 1928 to 1932 there were 14,732 policies issued. The number issued over the longer period was under half of the number issued in the earlier period.

Mr. STEARNS: There were quite a number of policies taken out during the depression period from 1928 to 1933.

Mr. WEICHEL: Mr. Chairman, one of the reasons I was in favour of the extension to 1968 for all veterans, and one of the arguments against it is that if we were sure that 50 per cent were of good health and 50 per cent disabled this probably would not have been carried on with. I find a lot of cases, not including myself, of course, of disabled veterans who take better care of themselves than the fellow who is supposed to be in good health and as a result probably live just as long. That is the reason I support this extension to 1968 for all veterans.

Mr. THOMAS: Mr. Chairman, Col. Lalonde gave us a resume of the arguments which may be used for this general extension of these privileges, and the arguments which may be used against it. My question is this; would it tend to minimize the arguments or decrease the arguments if this date were 1960 rather than 1962?

A supplementary question; why was the date 1962 chosen instead of some other date, and why the reduction of the time to 1960?

Mr. LALONDE: Your second question, Mr. Thomas, is a little easier to answer than the first question. The date of September, 1962 was chosen because for purposes of this Act World War II is supposed to have ceased in September, 1947. The date 1962 was also chosen for the purposes of the War Service Grants Act. Veterans who still have re-establishment credits available to them can use those credits to purchase insurance in spite of any other cut-off date in the insurance act. That means they have 15 years after September, 1947 or 15 years after their discharge to use their credits.

Since everybody was presumed to have been discharged for the purposes of re-establishment credits as of September, 1947, 15 years added to that would make it September, 1962. That would be the time when those who have re-establishment credits would stop being entitled to those credits for purchasing insurance.

In our opinion it is the logical date because it ties in with another group who have eligibility for veterans insurance because of the re-establishment credit angle.

Mr. THOMAS: This matter of using re-establishment credits was not a concern in regard to previous cut-off dates?

Mr. LALONDE: No, because at that time it had nothing to do with it. You must remember the act was amended in 1951. That is the last time this act was amended. At that time the eligibility was raised from six years after discharge to ten years after discharge.

In other words the decision was made at that time that the period of eligibility should be ten years. If there is a change in parliament's attitude now that, of course, is parliament's prerogative.

Mr. CARTER: In regard to the comparison of mortality rates that Mr. Black read out, comparing veterans experience with regular insurance companies' experience, is that since World War I or did that apply also to returned soldiers?

Mr. BLACK: What I read was not a comparison of our experience with insurance companies' experience but a comparison of our experience with the general male population. We must assume that the insurance companies would have even more favourable experience because they have a good selection.

Mr. CARTER: Yes, but do the figures which you gave out relate in the same way to returned soldiers?

Mr. BLACK: The figures I gave had to do with veterans insurance. I have the corresponding figures for the returned soldiers insurance. These figures will please perhaps the older members.

We now find that after the poorer risks, accepted under returned soldiers insurance, died, as they are now dying under the veterans insurance, the group of men who are old veterans are now not dying as fast as the general male population of their ages.

Mr. HERRIDGE: That is a cheering statement.

Mr. BIGG: I would also like to have a breakdown there of those people who took out the insurance. Is there any breakdown in respect of whether they were wounded, or whether they were pensioners and so on? It seems to me that perhaps the group who are receiving this insurance are different and the facts therefore might be very misleading.

Mr. BLACK: We do not have statistics as to the number who were wounded particularly but we do know how many pensioners there are.

Mr. BIGG: Yes, that would show a medical disability of some kind.

Mr. BLACK: Of the 28,778 policies now in force, 11,133 are pensioners.

Mr. BIGG: Have we any breakdown as to whether these disabled people are included in this figure, up to 115 per cent?

Mr. BLACK: They are contributing toward it, yes, because they are the poorer risks. We have a good many standard risks for some reason or other who are using re-establishment credits, and are in perfectly good health.

Mr. BIGG: The point I am trying to get at is, if we are going to insure people who have no disability I think the figures would show that they are not going to be in the 115 per cent category of "diers", they are the ones who are going to survive and from an actuarial point of view are sound risks.

We are not going to get around the disabled men but if we broaden this category they will live a long time and contribute to the cost of the others.

Mr. LALONDE: We get a lot of risks, good and bad.

Mr. BIGG: That is so, but what I had in mind was that this insurance was intended to cover the fellow who had something wrong and had got the idea that there was nothing left and because of his conscience in respect of his own family he took out this insurance.

In so far as that type of person is covered I think that is the main purpose of this protection.

Mr. ROGERS: After listening to these statistics I am convinced that the soldiers who are veterans living today, are pretty strong. These figures bear that out. I am worried about this and would like to mention this; you have just mentioned this other group who have just taken up their re-establishment credits who are to receive this consideration. I think this period should be opened up to 1962 for all World War II veterans.

Mr. HERRIDGE: I agree with that.

Mr. LALONDE: Those who have credits can take out insurance.

Mr. ROGERS: That is what I say, the ones that have not anything paid. I have had a paid up policy for 20 years and I am not getting any interest. If I am going to live another 20 or 25 years it might be a good idea for me to sell my insurance and take out this new victory bond.

I think there are a lot of good risks around yet.

The CHAIRMAN: That is a personal financial problem that you will have to resolve yourself. I am afraid the committee cannot advise you on that.

Mr. HERRIDGE: Which clause are we dealing with, Mr. Chairman?

The CHAIRMAN: Clause 1.

Mr. CARTER: I think the more information we can get in this regard the better. The experience in regard to the history of the returned soldiers insurance may be most favourable. I would like a little more detailed account of this history, if possible.

Would this be a fair statement; this fund is now still solvent after 40 years. During that 40 years we went through a period when we had a group of veterans whose mortality rate was higher than the general mortality rate for the population as a whole. We were able to absorb that extra drain. There were still enough good risks to keep that fund solvent.

If that is a true account of what happened under the returned soldiers' insurance surely we can expect the same thing to happen under this war veterans' insurance if it were extended as some members would like to see it extended. I just wonder if I have the proper picture. Could Mr. Black tell us if that is fair statement?

Mr. BLACK: There is one point which perhaps has not come to the members' attention. Section 10 of the act, which this bill proposes to repeal, has had an effect on the fund over the years. That is the section which reduced the amount the fund had to pay because a pension became awarded upon the death of the insured. Since the inception of the Returned Soldiers' Insurance Act, the amount of death claims has been reduced by \$2,534,000. That is the money which the fund has not had to pay because of the nature of the death.

Mr. THOMAS: Mr. Chairman, I have a question on that particular point of Mr. Black's. For the purposes of further discussion I would like to know whether or not with the elimination of section 10 this insurance becomes a much more favourable policy?

Mr. BLACK: It undoubtedly does for those whose death will occur during the premium-paying term. If section 10 is eliminated the policy is more favourable because it provides full protection instead of limited protection as it does now.

This comes under another clause of the bill we are going to consider in due course. The estimated total cost of eliminating this section 10 in the future would cost on the basis of existing policy in the neighbourhood of just under \$1 million.

Mr. THOMAS: Mr. Chairman, would that be per year?

Mr. BLACK: This is the total from now on for all policies now in force.

Mr. THOMAS: That is under the present limited application of the act?

Mr. BLACK: That is the present application of the Veterans' Insurance Act, section 10. We anticipate that if section 10 is repealed we will have to pay nearly \$1 million that we would not have to pay.

That figure does not include the policies that may be issued in the future?

Mr. BIGG: That amount would come out of the fund.

Mr. BLACK: That would come out of the fund, if the fund is able to bear it, yes.

The CHAIRMAN: On the point Mr. Thomas raised, I think we are dealing with clause 3. Let us stick to clause 1. Have we completed our discussion; if so, I have one or two little problems to resolve here. As I understand the sense of the committee, Mr. Speakman has recommended that we accept the Legion proposal for an amendment to this clause, and refer the recommendation back to the committee of the whole. On the other hand Mr. Herridge has suggested that we have a further sitting of this committee to obtain all the relevant facts and deal with the whole matter in this committee.

Mr. HERRIDGE: Yes; I suggest that after we have all the information possible we have a session of the committee to draft our recommendations as a result of the discussion.

Mr. ROGERS: I think that is right.

Mr. MACRAE: In other words have this clause stand at the moment.

Mr. BEECH: I think we can pass this clause, Mr. Chairman, and make new recommendations.

The CHAIRMAN: There is the possibility that this discussion will continue back in the House of Commons.

Mr. HERRIDGE: And I think you should accept some guidance from this committee, as a result of our discussion.

The CHAIRMAN: We have had the proposal that this committee recommend consideration.

Mr. HERRIDGE: Yes, but there are other proposals being made.

Mr. BIGG: There is no objection to it as it stands. The amendment does not alter the fact; it merely extends it, does it not?

The CHAIRMAN: What was that?

Mr. BIGG: There is no objection so far as I can see to passing these bills as they stand. It is merely to extend them at some future date after further discussion and further information.

Mr. WINKLER: May I suggest this, that if Mr. Lalonde can furnish us with actuarial information which was requested, I think it might have a tremendous bearing on any recommendation coming out of this committee, and for that reason and for that reason alone, I would agree with Mr. Herridge.

Mr. STEARNS: May I add this, that in clause 4 the purpose of the new provision is to extend the date from October 31, 1958 to September 30, 1962.

The CHAIRMAN: Which clause is that?

Mr. STEARNS: In other words this bill would be shelved. It has to be dealt with at the present session of parliament. Whatever we want to do in the future is one thing; but it has to be passed. Otherwise the act is ended on October 31, 1958; so whatever we do has to be recommended.

Mr. LALONDE: That is for the Korea veterans.

Mr. BIGG: It still affects somebody.

Mr. BEECH: I do not think the Legion objects to this bill as it stands, except that they want this other amendment.

Mr. HERRIDGE: It is agreed.

Mr. BIGG: We are satisfied in so far as it goes. The only objection is, do we want it to go further? It will have to be discussed further.

Mr. HERRIDGE: Definitely, Mr. Chairman.

Mr. BIGG: Is there any objection to passing this as it stands.

Mr. HERRIDGE: I would object. When we pass a clause as it stands, we are giving approval of it as it stands.

The CHAIRMAN: A suggestion has been put forward that the recommendation of the Legion amendment be taken into consideration in the house.

Mr. BEECH: And if the recommendation is accepted by the house—

The CHAIRMAN: In other words further discussion will take place in the house.

Mr. HERRIDGE: Or in committee. I agree to that, if the committee also agrees to recommend the further amendment as recommended by the Legion.

Mr. BEECH: I will second that motion put forward by Mr. Speakman.

Mr. THOMAS: Let us get this clear. I do not see how the committee can logically do two things. We are either satisfied with this bill as it is or we are not satisfied with this bill as it is. Let us make our position clear to all concerned. To pass the bill with the recommendation that certain things should be done appears to me to be unwise. We should make up our own minds before we make a recommendation to the house and if we are satisfied with this bill as it is, then let us report it as such.

Mr. HERRIDGE: We appreciate the improvement but we recommend further improvements.

Mr. BIGG: Yes, further improvements.

The CHAIRMAN: On the point raised by Mr. Thomas, it is not uncommon for parliamentary committees to make recommendations to the house. In fact that is one of the functions of the parliamentary committee. But we are faced with this problem, that we cannot move amendments which increase expenditures. It is not within our power, not within the power of this committee. We do not have the facts before us, as to whether this would involve increased expenditures—but we strongly suspect that it will.

Now, we can hold the bill, if we wish, and discuss it further and try to get that information, or we can pass the bill as it is, with a recommendation, that this amendment suggested by the Legion be taken into consideration by the House of Commons—because we go through all the stages of the bill in the House of Commons. Discussion here does not finalize the matter.

Mr. HERRIDGE: If we do that, if we pass a recommendation to amend this section or any other section involved in this bill, we have expressed our opinion. Then the steering committee will draw up a report which will come before the committee at a session in camera.

The CHAIRMAN: Yes.

Mr. MONTGOMERY: Mr. Winkler has asked for information and the deputy minister said he is going to try to get it for us. This might affect the recommendation. But if we pass it now, I feel we would be voting on something before we have all the information. I would prefer to see that section stand, and you can go on with the other sections. Then, when we get the information, if it is available, we can consider the motion before us now, later.

Mr. WEICHEL: I would suggest we accept the motion, and if we wish to put in an amendment, let us vote on it.

The CHAIRMAN: I am just looking at this motion as it has been put before me in writing.

“That the terms of section 1 subsection 3(1a) be amended to include those veterans who for any reason were discharged honourably from active service after World War II”.

That is a motion to amend the bill.

Mr. BIGG: He did not say that. He said he wanted consideration to be given to the motion.

The CHAIRMAN: In that case, we have to meet in camera to consider our report to the house. All we have to do is to include the recommendation in the report. No motion is necessary.

Mr. McINTOSH: I do not think that we are in favour of this bill as it is. I think we are in favour of the Legion's recommendation, plus something else. So how can we say that we approve of this? We are not in favour of this bill; we are in favour of the Legion's recommendation, and we want to go further.

Mr. BIGG: What is your objection to this bill in that way, then?

Mr. McINTOSH: Because it does not include what the Legion requests.

Mr. BIGG: But there is a question of including permanent approval of certain privileges. Do you agree with that as far as this bill goes? If you want something more, that does not say you do not approve the bill, you merely wish to include more.

Mr. McINTOSH: No, I am not in favour of what it says. I want it to include all classes up to 1962. Therefore I am not in favour of this bill on the basis up to 1962.

Mr. BIGG: I do not see that, at all.

Mr. BEECH: Would not that come under the subparagraph? It does not come under the subparagraph we are discussing now.

The CHAIRMAN: No, what Mr. McIntosh is saying now—

Mr. BIGG: All or nothing at all.

The CHAIRMAN: The proposed amendment involves an increased expenditure, and we have no power to make it.

Mr. WINKLER: But do you know that?

The CHAIRMAN: Well, on the information Mr. Black has given—and I have been listening carefully—I understand it will upset the actuarial balance.

Mr. BLACK: We cannot predict exactly who will take our policies. That is the whole feature of it. We can anticipate generally the people who anticipate benefit from it,—that is, people in poor health who will take out a policy more readily than those who are good risks, and whom insurance companies have been after.

Mr. WINKLER: I would like to see those figures to substantiate that statement, and then I would make a statement as to what I suggest might be done here.

Mr. BLACK: We cannot predict what is going to happen. We can only say that under the Returned Soldiers Insurance Act, after a period of time, closed down from 1923 to 1928, there were some 14,000 policies issued which was less than half of those issued previously, which were approximately 33,000.

Mr. WINKLER: I think the information I requested would have a bearing on what the members of the committee might decide. I feel that very sincerely. I cannot do it until those figures are presented and I would not vote on anything until I see them.

Mr. McINTOSH: I agree with Mr. Winkler. We should make our decision then.

Mr. HERRIDGE: Shall we let this section stand until a later meeting?

The CHAIRMAN: We can let the section stand and proceed with the other sections; but it means the bill stands too, of course.

Mr. BIGG: Could we ask for a vote? I do not think two men should have the full say in the committee.

Mr. WINKLER: I agree.

The CHAIRMAN: All right.

Mr. BIGG: Whether or not we send the bill forward as it is, or we call for other information concerning the amendment.

The CHAIRMAN: It has to go to a vote before we pass clause 1. Is clause 1 agreed to? All those in favour will say "yea".

Some hon. MEMBERS: Yea.

Mr. BEECH: What is the vote on?

The CHAIRMAN: It is on carrying clause 1. Is clause 1 agreed to?

Mr. THOMAS: May we raise one more point?

The CHAIRMAN: We are voting now, Mr. Thomas.

Mr. THOMAS: If we carry this clause we are eliminating this proposal which has been made.

Some hon. MEMBERS: No, no.

Mr. SPEAKMAN: We cannot get that further amendment in at this session. We do not want to impede passage of this bill, which does provide an improvement.

Mr. THOMAS: I think we are wrong.

The CHAIRMAN: Let us get clear what we are doing here, gentlemen.

Mr. THOMAS: That is what I say.

The CHAIRMAN: This is not the end of this bill. It goes back to the House of Commons for consideration and passes through all the stages that any bill passes through in the House of Commons. So, you are not cut off from any future discussion. Now, at the moment, we have put the motion before you. Is clause 1 agreed to? If this does not carry, the bill is in trouble. Immediately—we cannot refer it back to the house.

Mr. THOMAS: As I understand it, if clause 1 is agreed to, we have finished with clause 1 in this committee.

The CHAIRMAN: In this committee, yes.

Mr. THOMAS: Now you say it is still open to debate in the House of Commons. That is what we are trying to avoid. This committee is set up for the purpose of trying to go through this bill, and to save the time of the house. If this committee is not agreed as to what we should do, then we are leaving the thing wide open. My suggestion is that this committee should decide what to do.

The CHAIRMAN: You know you can bring any amendments you wish before the House of Commons. This committee is merely a standing committee to which the bill has been referred for a discussion of details, to hear representations by veterans groups, such as the Canadian Legion, and to make a report back to the house. I understand the report we are going to make is that amendments be considered.

Mr. HERRIDGE: That is the whole point.

The CHAIRMAN: This is not closing the door.

Mr. HERRIDGE: Then in addition the steering committee will make a report based upon the decisions here, and it will come before the committee, in camera, which will include what the committee decides; and that report goes to the House of Commons.

The CHAIRMAN: Exactly. This is not closing the door. The real work on the bill is in the House of Commons. It has been done many times.

Mr. THOMAS: We have this suggestion of another meeting in camera, where does that come in?

The CHAIRMAN: We always conclude our committee meeting in camera, to consider our report to the house.

Mr. McINTOSH: You said that if we do not agree to clause 1 now, we are in trouble. What is the harm in waiting until we get the information we are asking for?

The CHAIRMAN: Well, we can let it stand, but when we get the information, I do not know whether or not this committee can proceed to amend it.

Mr. McINTOSH: What is the procedure? Suppose they do agree to amend it?

Mr. BEECH: I asked this question before and I did not get an answer. Could we amend this section as it now is to give effect to what Mr. Speakman and other members are asking for. Would not it have to be the subject of a new amendment in the act altogether?

The CHAIRMAN: Yes, in all probability I would say that with the recommendations of this committee in our report back to the house, the bill would come before cabinet again.

Mr. HERRIDGE: It would carry a lot of weight.

Mr. FORGIE: Not necessarily.

The CHAIRMAN: Only the executive arm of government can introduce amendments which involve additional expenditure.

Mr. McINTOSH: If we accept it as it is now, what happens to the Legion's present brief?

The CHAIRMAN: It is included in our report back to parliament, as a recommendation.

Mr. HERRIDGE: That is the point.

Mr. McINTOSH: Can it be put into force this session?

The CHAIRMAN: If parliament decides, yes. Is clause 1 agreed to?

Clause 1 agreed to.

The CHAIRMAN: We have had a very good lesson in committee procedure this morning.

On clause 2—Annuity, variation of mode of payment.

Mr. MONTGOMERY: I have a question on clause 2. As I understand it from now after this amendment goes through and is passed there will be \$1,000 payable instead of \$500.

Mr. LALONDE: No, all it does is this. If a veteran was insured for \$2,500 the minister has authority to pay \$2,000 in a lump sum to his beneficiary and since the residue is \$500 or more, he has to pay it in an annuity. This would enable the minister to add to the \$2,000 lump sum up another \$1,000 so that if the man was insured for \$3,000 the minister, in his discretion, could pay the \$3,000 in a lump sum.

Mr. MONTGOMERY: And previously he could only pay \$500.

Mr. LALONDE: Less than \$500.

Clause 2 agreed to.

On clause 3—Repeal.

Mr. KENNEDY: I wonder if I might have an explanation on this clause as to how this does affect pensioners; that is a 50 per cent pensioner who leaves a widow and family who are eligible for pension. Of what value is the insurance to him under those circumstances?

Mr. BLACK: I have an explanation prepared to answer your question.

Clause 3 of the Bill repeals Section 10 of The Veterans Insurance Act. Following the reasoning employed in the designing of the Returned Soldiers Insurance bill a similar provision with respect to the limitation of proceeds in the event of the award of a pension under The Pension Act on the insured's death was incorporated in this Act. The basis of the calculation of the amount differs from that under The Returned Soldiers Insurance Act in that the amount of insurance above \$500 is paid, broadly, in proportion to the part of the premium paying term of the policy that has elapsed; for example, if a policyholder with a \$5,000 contract on the 20 Payment Life basis dies after 12 years and a pension is awarded, the amount payable to his widow, the beneficiary, would be \$500 plus about 12/20th of \$4,500. If it had been a 10 Payment Life policy it would have been paid in full because the premium term had expired. By repealing this Section, the award of a pension on the death of a policyholder would have no bearing on the amount of the policy proceeds. As under the other Act, the maximum effect of this provision is felt if death occurs during the early policy years. The estimated future cost of this amendment would be nearly \$1,000,000.

Mr. BIGG: That is on the rate of death.

Mr. BLACK: In the event of a policyholder dying and a pension, under the Pension Act, being awarded to his widow, the proceeds of the policy are limited if he dies during the premium paying term, during the 20 years of the twenty-pay-life policy.

Mr. LALONDE: This would mean that the face value of the policy paid in all cases would not be affected by the award of pension.

Mr. BIGG: It removes the reduction in the face value of the policy.

Mr. KENNEDY: This repeals what he has explained. There is no difference now between pensioners.

Mr. LALONDE: If this amendment is passed; there will not be any difference.

Mr. HERRIDGE: Mr. Chairman, in view of the deputy minister's infinite capacity to explain the inscrutable, I would like him to advise the committee what he considers was in the inner recesses of the former government's mind when they repeatedly refused the Legion request with respect to the repeal of this section.

Mr. LALONDE: May I be excused, Mr. Herridge.

The CHAIRMAN: I pass no comment.

Clause 3 agreed to.

Clause 4 agreed to.

Title agreed to.

Shall I report the bill? Just one moment here, there are some outstanding questions of which I am reminded in response to a query by Mr. Winkler. So I suppose we shall have to hold the bill open.

Mr. WINKLER: As far as I am concerned, on Mr. Lalonde's explanation, that will not be necessary. It may follow that it may have a bearing on the recommendations by the committee.

Mr. BEECH: Is the bill accepted with the following recommendations?

The CHAIRMAN: That is right and this committee will make up its mind in that respect.

Mr. HERRIDGE: The bill will be reported to parliament with the recommendations after our meeting in camera, not previously.

The CHAIRMAN: That is true.

Mr. BIGG: We will get some more information.

The CHAIRMAN: We will report the bill without amendments but with recommendations.

Mr. STEARNS: Are we having a meeting tomorrow morning?

The CHAIRMAN: No meeting has been scheduled for tomorrow morning. We have been meeting regularly on Thursday mornings. We now have to make up our minds when we shall meet further to consider our report on these bills and also to consider what further business shall be taken under consideration at this time. Perhaps we could have a special meeting of the steering committee at the call of the chair.

Agreed to.

Mr. BIGG: I wonder if the Canadian Legion witnesses have anything else which they would like us to consider at a subsequent meeting.

The CHAIRMAN: The Canadian Legion will be making a general representation to the cabinet, as has been customary, around November 11, I believe.

As Mr. Burgess intimated in his opening remarks he will be appearing before this standing committee at a future session.

Mr. CARTER: Mr. Chairman, is there any way in which the answer to the question asked by Mr. Winkler can become a part of the record? Our discussion of this morning is not complete without that information. This is going to be referred to again.

The CHAIRMAN: That information, I assume, will be before the House of Commons.

Mr. CARTER: May we have a motion that this information be tabled and become a part of the record.

The CHAIRMAN: At the next session of this committee that information can be brought down and included in the record before we go into camera. We will have to call the steering committee together to make plans for future meetings.

Mr. SPEAKMAN: Who are on the steering committee?

The CHAIRMAN: Messrs. Lennard, Montgomery, Kennedy, Herridge, Rogers, Forgie, Cardin, and myself.

—The committee adjourned.

HOUSE OF COMMONS

First Session—Twenty-fourth Parliament

1958

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

Including Fourth Report respecting
Bill C-34—An Act to amend the Veterans Insurance Act.

THURSDAY, JULY 24, 1958



WITNESSES:

Mr. Lucien Lalonde, Deputy Minister, Department of Veterans Affairs,
and Mr. C. F. Black, Superintendent, Veterans Insurance.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1958

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.,

Vice-Chairman: G. W. Montgomery, Esq.

and Messrs.

Anderson	Herridge	Peters
Batten	Houck	Regnier
Beech	Jung	Robinson
Benidickson	Kennedy	Rogers
Bigg	Lennard	Speakman
Broome	Lockyer	Stearns
Cardin	Macdonald (<i>Kings</i>)	Stewart
Carter	MacEwan	Thomas
Clancy	MacRae	Webster
Denis	McIntosh	Weichel
Fane	McWilliam	Winkler
Forgie	Ormiston	Roberge
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

REPORT TO THE HOUSE

The Standing Committee on Veterans Affairs has the honour to present its

FOURTH REPORT

Pursuant to the Order of Reference of Wednesday, July 9, 1958, your Committee has considered Bill No. C-34, An Act to amend the Veterans Insurance Act, and has agreed to report same without amendment.

Your committee heard representations from the Canadian Legion with respect to further proposed amendment to the Bill. In particular the Legion recommended changes to ensure that all veterans would be treated equitably under the legislation.

In the view of the Committee, the proposed amendments may result in an increased charge upon the public. Therefore, your Committee feels that it has no option under the Rules of the House but to report the Bill without amendment.

Your Committee, however, agreed that an amendment is desirable and therefore recommends that the Government consider the advisability of further amending Bill C-34 so as to provide that all those formerly qualified to take out Veterans Insurance may do so up to the 30th of September, 1962.

Respectfully submitted,

Walter Dinsdale,
Chairman.

MINUTES OF PROCEEDINGS

House of Commons, Room 268.
THURSDAY, July 24, 1958.

The Standing Committee on Veterans Affairs met at 10:30 o'clock a.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Beech, Bigg, Carter, Clancy, Dinsdale, Fane, Forgie, Kennedy, Lennard, Lockyer, Macdonald (*Kings*), MacEwan, MacRae, McIntosh, Montgomery, Ormiston, Parizeau, Regnier, Rogers, Speakman, Stearns, Stewart, Thomas, Weichel.

In attendance: Mr. Lucien Lalonde, Deputy Minister of the Department of Veterans Affairs; Mr. F. L. Barrow, Departmental Secretary; Mr. J. G. Bowland, Chief, Research and Statistics; Mr. C. F. Black, Superintendent of Veterans Insurance, Mr. W. G. Gunn, Q.C., Director of Legal Services, and Mr. G. H. Parliament, Director-General, Welfare Services.

Mr Lalonde and Mr. Black were recalled. They gave answers to questions asked at the previous sitting in relation to Bill C-34, An act to amend the Veterans Insurance Act.

At the conclusion of their examination the witnesses were thanked by the Chairman for their valuable assistance.

The Committee then continued, in camera, to consider the Fourth Report to the House which, after considerable discussion, was adopted.

At 12:15 o'clock p.m. the Committee adjourned to meet again at 10:00 o'clock a.m. Thursday, July 31st, 1958.

Antoine Chassé
Clerk of the Committee.

EVIDENCE

THURSDAY, July 24, 1958.
10:30 a.m.

The CHAIRMAN: Gentlemen, we have a quorum. In view of the excessive humidity, I think the first item of business would be to suggest that you make yourselves as comfortable as possible under the circumstances.

We had anticipated receiving the children of war dead amendments this morning. Unfortunately, they have not cleared through the House of Commons as yet. In view of that our business this morning will be taken up largely with clearing up the outstanding items of Bill C-34 and I think in that connection there were some questions presented to the officials of the department by various members of the committee. At this time the deputy minister will give the answers to these questions.

Mr. LUCIEN LALONDE (*Deputy Minister, Department of Veterans Affairs*): Before I deal with the answers to the questions, Mr. Chairman, could I make a couple of corrections in the record.

One of these corrections is a minor one which deals with a typographical error. It is found at page 159 of the record. In talking about the payments to the Corps of Commissionnaires, I am quoted as saying, "in addition there is a payment made to the headquarters of the corps varying from 9 to 30 cents per hour". The proper figures are 9 to 13 cents.

Mr. MONTGOMERY: Would you please repeat those figures.

Mr. LALONDE: 9 to 13 cents instead of 9 to 30 cents.

The second error appears at page 203 of the record and this time the error is all mine. I am afraid that I trusted too much to memory. On a question by Mr. Herridge with respect to how the regular forces were placed on active service I said "This happened first by order in council which was subsequently confirmed by amendment to the act." I am afraid I reversed the procedure when I answered that question. The right answer is that by section 32(1) of the National Defence Act which was assented to on the 30th of June, 1950, authority was given by the act for the governor in council to place the Canadian forces or any service component unit or other element thereof, or any officer or men thereof on active service anywhere in Canada and also beyond Canada for the defence thereof at any time when it appears desirable so to do by reason of an emergency.

You will note the act was approved on the 30th of June, 1950. By virtue of that authority given by the act on the 9th of September, 1950 the governor in council did place the regular forces on active service, so that the proper sequence of events is not the way I gave them the first time; it was just the opposite. The act came first and the order in council second.

The CHAIRMAN: While we are on the matter of making corrections in the record, are there any other members who would like to make corrections? In checking through the record myself I notice one error. A statement made by Mr. Beech, as I recall it, was attributed to Mr. Rogers. Did you notice that?

Mr. ROGERS: No, I did not.

The CHAIRMAN: It is towards the latter part of the report. It was at the last meeting, report No. 5. I will read it out to you Mr. Rogers and I think you will recognize it as having come from a source other than yourself. I have not made a note of it but I think I can lay my finger on it. Yes, it is at page 208 of the report. Mr. Rogers, did you say this the other day: "That is what I say, the ones that have not anything paid. I have had a paid-up policy for 20 years and I am not getting any interest. If I am going to live another 20 or 25 years it might be a good idea for me to sell my insurance and take out this new victory bond."

Mr. ROGERS: That is not my statement.

The CHAIRMAN: I knew it was Mr. Beech who made that statement. Are there any other corrections in the record?

Mr. MACDONALD (*Kings*): Are we dealing with corrections just in the last report?

The CHAIRMAN: If you wish to make any other corrections in the report as we have it up to the present moment, you may do so.

Mr. MACDONALD (*Kings*): I have one correction in the first report, but I have not a copy of the report here. Could it be dealt with at a later meeting?

The CHAIRMAN: Yes, at a future meeting. Now, Mr. Lalonde, could we have the answer to the question?

Mr. LALONDE: There was a question raised in dealing with Bill C-34 as to what was the percentage of veterans who had served in Korea who had also had service in World War II. The answer to that is that 77 per cent of the Korean veterans were also veterans of World War II. Out of a total of 7,211 who were recruited for the special forces brigade, 6,490 had served in World War II. Out of 14,855 regular force personnel who served in Korea, 10,400 had served in World War II. So that out of a total of 22,066 who served in Korea in the army, 16,890 had served in World War II. This gives us a percentage of 77 per cent.

Mr. ROGERS: Thank you very much.

The CHAIRMAN: Are there any questions on those two items that have been brought before the committee?

Mr. LOCKYER: I would just like to say that is a very high percentage.

Mr. LALONDE: Well I think possibly sir that was due to the fact that there was a very short interval between the end of World War II and the beginning of the Korean action.

The next question was asked by Mr. Winkler, I believe, and it had to do with information about the financial status of the insurance funds. As I had undertaken to do, I have had a meeting with the representatives of the Department of Finance to discuss these two funds which, as you may know, form separate parts of the consolidated revenue fund. The view taken by the Department of Finance is that these insurance funds cannot be considered in the same manner as reserve funds which are usually maintained by commercial insurance companies. The obligations of our insurance contracts are statutory and therefore there cannot be any limitation imposed because of insufficiency of premium income. Whatever the liability is to the government, it has to be met whether or not there is money in the fund. In each of the funds the income consists of premium payments and amounts for policy adjustment which are similar to premium payments. In the past there have been some additions by the government of interest and contributions required to ensure the solvency of these

two funds. The estimates of future requirements to enable the payment of the insurance moneys are computed each year by the actuaries of the Department of Insurance and each fund is adjusted annually to bring it into equality with the liability.

Under the returned soldiers' insurance the maximum amount of the future liability which is the face amount of insurance in force on March 31st of this year was \$22,644,411.67. This is a fixed amount because as you know there are no new policies issued under that act. But in addition to this amount there are continuing annuity payments and certain other payments on claims already incurred which must be met.

The amount standing in the fund as of March 31, 1957 was \$17,320,080.30. The premium income for the last fiscal year was \$148,673.57. On the other hand, the insurance moneys paid amounted to \$1,260,098.18. In other words, during the last fiscal year the fund collected a little over \$148,000 and paid out in claims over \$1 million. Thus you will see in order to enable payment of all claims as they occur, it will be necessary at some time in the future to make contributions to the fund.

Mr. McINTOSH: Will you repeat this last part again which has to do with the amount taken in by premiums being more than the amount paid out?

Mr. LALONDE: Yes, that is correct, because in the returned soldiers insurance we have a lot of paid-up policies and the amount of premiums that are coming in now on the straight life policies will come down all the time. On the other hand, our claims are bound to at least be level for a while because of the insured reaching a certain age limit where the mortality rate is bound to increase.

Mr. McINTOSH: It is hard to reconcile the figures you gave in the first place. The amount that can be expected to be taken out of the fund is \$22 million and the amount expected to be paid back is \$17 million.

Mr. LALONDE: That is the amount paid in.

Mr. McINTOSH: There is a difference of \$5 million.

Mr. LALONDE: Yes.

Mr. McINTOSH: On the figures you gave on the one year only \$148,000 was paid in and \$1 million—over a million—was paid out last year.

Mr. LALONDE: Yes, that means that some time the government will have to pay into the fund some money to make up the difference that you are referring to, the \$5 million. That supplement is a normal insurance procedure. The government having undertaken to make good all the claims of the policies has to put in some money to achieve that purpose. The commercial companies usually do it by earning interest on the premium income and crediting it to the reserve. The government instead of doing that simply says, "whatever money you need to pay the claims we will supply".

Mr. McINTOSH: In the last number of years they must have been accumulating or taking in more than they paid out to build up that fund to \$17 million.

Mr. LALONDE: Up to a certain time they did.

Mr. McINTOSH: At what time did it get to the ratio you have there now of 1 to 10?

Mr. LALONDE: Mr. Black will answer that question.

Mr. McINTOSH: It is just an observation I made.

The CHAIRMAN: You want to know when the balance changed?

Mr. McINTOSH: Yes, as it has gone so far to one side.

Mr. C. F. BLACK (*Superintendent, Returned Soldiers' and Veterans Insurance, Department of Veterans Affairs*): We cannot answer your question exactly, but from the records we have during the first few years of the scheme, having accepted a great many poor risks, the payments paid out were in excess of the income received. However, that shortly was reversed and the funds began to accumulate. We have no date and it would not be a definite point in time—possibly some time in the last few years—where the income was exceeded by the disbursements. The fund has progressed gradually to its present status. The tendency will be from now on of course for the fund to decrease more rapidly than in the past because the total claims are accumulating now at a faster rate and premium income is dropping.

Mr. ROGERS: I have one question in regard to the accumulation of money; does the government allow interest on it?

Mr. LALONDE: No, that is what I tried to explain. Instead of building up a reserve as commercial companies do by having their money earn interest on mortgages, for instance, the government does not do that. The government says: instead of building up a reserve we will give you the money to operate now and give you what you need in the future to pay your claims.

Mr. THOMAS: In defence of the scheme we could say that the government over all these years have had free use of that money without interest.

Mr. LALONDE: No, on the Returned Soldiers Insurance Fund they have paid interest to keep it solvent and bring it to the point where it is now but, whether you call it interest or contribution, they have paid more money into the fund than at the time when the fund was in the red.

Mr. THOMAS: And it is expected you will have to continue to put money in?

Mr. LALONDE: Not now, but the day will come when they probably will.

Mr. LOCKYER: Was there not a lump contribution made to the fund to start it off?

Mr. LALONDE: No sir.

Mr. McINTOSH: Well, there would be no need to put anything in until that \$17 million odd has been expended. Money doubles itself at 6 per cent, does it not, in 10 years?

Mr. LALONDE: I am afraid I am not competent to tell you whether that is right or not.

Mr. McINTOSH: Well, they say it does. So therefore the fund has been solvent all along on an actual business basis and the government has had the use of that \$17 million so they should be putting interest in it.

Mr. BLACK: Well their contribution, as the deputy minister explained, may be considered as being in lieu of interest.

Mr. LALONDE: In my statement I think I mentioned interest or contribution.

Mr. McINTOSH: That is right, but it left the wrong impression as to actually what was going on.

Mr. LALONDE: That is the point I am trying to make.

Mr. McINTOSH: It depends on how much has to be paid out.

Mr. LALONDE: That is right, and the government puts in more money on the basis of having to meet increased claims at any time.

Mr. LOCKYER: Then, Mr. Chairman, do I take it that the \$17 million is a matter of bookkeeping?

Mr. BLACK: The \$17 million is a figure which the Department of Insurance computes as being the amount which under the mortality tables in use represents a fair estimate of the present value of future requirements. Now, the right way to do this in the insurance industry is to keep what they call an actuarial reserve on a sound basis. That is what has been done.

Mr. LOCKYER: But if the government is using it, that is a matter of bookkeeping.

Mr. BLACK: It is quite likely the \$17 million is going to be paid out and more. We have an estimate of \$22 million, some more payments on annuities etc. which have already occurred and then we have nearly \$1 million premiums we might expect to be paid in the future.

Mr. SPEAKMAN: What is the actual position in respect of that under the Returned Soldiers Insurance Act?

Mr. LALONDE: As far as we are concerned, the way the thing was explained to me, there is no profit and no deficit. The fund operates on the basis of a statutory provision and it is evident that without the government providing either interest or contribution, the fund could not operate without deficit, but as long as the government provides either a contribution or interest, it will not have a deficit and they have decided to use the contribution method to prevent that deficit.

Mr. MACDONALD (*Kings*): Mr. Chairman, would you say it is an actuarially sound proposition?

The CHAIRMAN: Colonel Lalonde has not completed his statement as yet. He was interrupted halfway through. So if he is prepared to carry on now, I think some of the questions will be answered.

Mr. LALONDE: With respect to the Veterans Insurance Fund the possible future liability is the face amount of existing contracts and that is \$87,049,278 in addition to the completion of annuities payments and other payments of claims which have already occurred.

In this case the premium income up to March 31, 1958 had totalled \$26,416,892. The fund had made disbursements amounting to \$7,199,034. These three figures show the total amount of insurance in force at the 31st of March, 1958, the total amount of premium collected and the amount of disbursements on claims already paid.

Now, in theory the future liability is covered by the amount in the fund, the difference between the last two figures that I gave, together with future premium income and however this income is administered the computed interest has been included in the actuarial valuations made by the Department of Insurance.

Now it seems unlikely that the total future premium income under this act, which at the moment is around \$2½ million a year and will tend to decrease as the years go on, will be sufficient to meet the possible future liability and future contribution will probably be necessary from time to time on the basis which I have explained applied to the Returned Soldiers' Insurance Fund.

In view of all this and dealing only with the financial aspect of the question, I would say that if the eligibility to contract for insurance were reopened for a short period such as three or four years for all those who were previously eligible to contract for insurance under this act, the effect on the Veterans Insurance Fund would not be unduly serious. However, if extension were prolonged for too great a number of years we suspect that the mortality experience of many policy holders who would be attracted by this prolonged extension might result in a drain on the fund and contributions required to keep it solvent might be larger than anticipated under normal operating conditions.

This, of course, is only a personal opinion given for the information of the committee. I am not an expert and it carries no weight.

Mr. MONTGOMERY: I think it is very sound.

The CHAIRMAN: That is the end of the statement, gentlemen. Have we any questions?

Mr. ROGERS: One thing, Mr. Chairman. I think this is not a very good picture as far as the insurance generally is concerned. In fact I believe it would have been quite a solid fund provided they had allowed interest.

Mr. LALONDE: I do not know what you mean, Mr. Rogers, when you say this is not giving a good picture of the fund.

Mr. ROGERS: I do not mean your statement. What I mean is this, that the department has just been using this money and drawing no interest on it at all. The contribution would have been made rather by premiums, whereas if they had set up that fund and paid so much interest, I think this would be a pretty solid looking picture.

Mr. LALONDE: I think it is solid now.

Mr. ROGERS: When you take all those things into consideration.

Mr. LALONDE: You see, our interest in the department is in issuing the policies and making sure that we will settle all claims as they should be settled according to law. We are not worried that we will not be able to pay them because we have got the consolidated revenue fund backing us up.

Now, as pointed out, to administer the two acts we have no worry as far as finances are concerned. Our superintendent of insurance makes his report each year on the number of claims he has paid and there is always sufficient money to cover all claims that may arise during the year, so as far as we are concerned it is a pretty solid situation to be in when handling insurance contracts.

Mr. MONTGOMERY: It is solid from the veterans' standpoint because the whole government consolidated revenue fund is behind the scheme.

Mr. KENNEDY: What Mr. Rogers is saying, I think, is if the fund plan was independent of the government it still would be solid and would have drawn certain interest.

Mr. LALONDE: Oh, yes.

Mr. KENNEDY: It would have carried itself, in other words.

Mr. LALONDE: If the department—now, this is a hypothetical statement—if the department had been allowed to collect the premiums like a commercial company and we had been told, "You have the authority to go and place this either in mortgages or in bonds", I think we would have operated without a deficit.

Mr. McINTOSH: What you are trying to tell us now is that the Legion request was that it be extended to 1962 and if it was granted the fund would be able to carry itself on the same basis as it is now, but if it is extended to 1968 it is doubtful if it could carry on under the same conditions.

Mr. LALONDE: I think it would be dangerous. I am not in a position to say definitely that it would or would not, but I think it would be dangerous.

Mr. ROGERS: I think there is one point in favour of 1962. The consensus is that we want to get as many of these veterans provided for with insurance as possible, that is, for their families and I think to make it 1962 would accelerate it. That is the whole purpose behind it, is it not, to give these families protection?

Mr. LALONDE: There is no reason why at this stage any of the veterans of World War II, given an extra four years in which to make up their minds to take insurance, should not be in a position to do so if they really are interested in it.

Mr. ROGERS: Oh, quite.

Mr. MCINTOSH: There is nothing to say that if such is not the case by 1961 that your department will reopen this, as you have done in the past, and reconsider it again?

Mr. LALONDE: Well, that would be a cabinet decision, but as far as the department is concerned we would certainly consider every suggestion that was made at that time. That is our business. Whether we agree with the suggestion or not we have to study it and give a report to the minister on it.

Mr. BIGG: I was just wondering—I said it before, I think I would just like to see a little effort made to make sure as many veterans as possible know of these amendments because quite often they do not get the information and it is the very ones who do not get to know about it who need it most in a great many cases.

Mr. LALONDE: We will have to find some way, Mr. Bigg, of spreading the word around with respect to whatever amendments are approved by parliament on these two acts as well as the activities of the children of war dead (education assistance) act. We have been using veterans' publications extensively to publicize whatever amendments we have had in the past. Unfortunately, I know of no way of reaching every veteran personally.

Mr. BIGG: Well, I have a suggestion that perhaps through our old organizations, our regimental organizations a great many of our regiments anyway do know where our members are and it is possible that we might actually contact a lot of them individually in that way especially if we know they are subject to this thing.

Mr. LALONDE: We have advertisements in the papers about certain amendments, certain very important amendments but that is a very costly business when you try to get coverage across the country every time you have an amendment. We would not have enough money in our budget to do that.

Mr. BIGG: This is a major amendment in what I think is an important field and perhaps we could do it through the regimental organizations.

Mr. LALONDE: Well, by a combination of things we could probably get a fair coverage, through the veterans' publications, through the regimental associations, by adding stuffers in the cheques of pensioners. I think that is what we will have to do, use a combination of them.

Mr. BIGG: And through our own political contacts.

The CHAIRMAN: If you attend the regional meetings of your veterans organizations you get in touch with your own veterans etc.

Mr. CLANCY: This probably was answered when I was away. Now that they are opening it up again to 1962 for World War II veterans there is a reinstatement clause, is there not, in the original bill that a man who took out insurance originally when he came home and then dropped it could be reinstated?

Mr. LALONDE: I am not quite sure as to what you mean.

Mr. CLANCY: If a man has dropped his insurance, could he be reinstated?

Mr. BLACK: Yes, the position there is that the policy contract provides that a person ceasing to pay premiums and lapsing his policy during the first two years of the contract has five years in which to reinstate by paying his premiums with interest and submitting medical evidence, if necessary or if required. After two years the policy has probably gone on extended term insurance rates, but he still has five years to reinstate himself.

Mr. WEICHEL: I would like to ask Colonel Lalonde a question. That 1962 would include all veterans of the second war regardless of permanent force?

Mr. LALONDE: Yes, that would depend on the committee's recommendation, Mr. Weichel.

Mr. WEICHEL: That is our thought, is it not?

Mr. LALONDE: When I gave my opinion as to the financial capacity of funds to absorb that, I referred to all those who had eligibility previous to 1954. Now, it will have to be up to the committee to decide whether their recommendation will cover only veterans or will cover other persons who were eligible.

Mr. WEICHEL: Then what do you mean by eligibility?

Mr. LALONDE: Well, for instance, a widow of a veteran who served in World War II and died before he could take out insurance or died during the war, was eligible until 1954. The fire fighters were eligible, the merchant seamen were eligible, the auxiliary services supervisors were eligible. So that whatever the committee decides it should be spelled out in their recommendation.

Mr. SPEAKMAN: Mr. Chairman, I want to go for a moment to this point of publicizing these amendments. I think if our recommendation is accepted you will remember the legion who in fact made recommendations originally and I think they will see that it gets the widest possible publicity. I do not think we need to worry about publicizing it ourselves.

Mr. LALONDE: We will certainly have an ad in the Legionary by the department.

Mr. CLANCY: As a follow-up to that question, would a veteran who has missed his five years on an elapsed policy come into play on new insurance?

Mr. BLACK: That is right, assuming the amendment goes through, he would be eligible to take out a new contract.

Mr. CLANCY: That elapsed time of five years will apply?

Mr. BLACK: That would still apply presuming the contract provisions were not changed, it would still apply to the new contract.

Mr. CLANCY: In other words, if he has missed his five years he has only to apply under the reopening of this insurance at his present age?

Mr. BLACK: If he had a policy and it lapsed and the five years had gone or his eligibility has now terminated, he cannot take out a policy now on the strength of his previous eligibility. It will have to be a new policy.

Mr. MACDONALD (*Kings*): Mr. Chairman, my point might have been covered. This is further on the dissemination of information. I was going to say that the ads which have been put in the Legionary have been very greatly appreciated by the veterans throughout the country and I think it should be passed on to the department. Every man who belongs to the Legion—and there are over a quarter of a million now—gets the Legionary, and I know that a great many of them read the ads put in there by the Department of Veterans Affairs. I just wanted to bring that to the attention of the department that the service is greatly appreciated.

Mr. LALONDE: We have a continuing arrangement with the Legionary, Mr. Macdonald, and we endeavour to pick out quarterly the outstanding item that should be brought to the attention of the veterans. That becomes the subject of our ad for that period.

Mr. MACDONALD (*Kings*): It is very well done.

Mr. LOCKYER: I do not know if this question can be answered. What percentage of lapses have you had in policies?

Mr. BLACK: Well, Mr. Lockyer, out of 42,508 issued 1,799 have lapsed up to the end of June, that is, during the first two policy years. They are complete lapses and the protection has ceased.

Mr. LOCKYER: That sounds like very much.

Mr. BLACK: I would say it is very small compared to normal commercial insurance experience. I attribute it to the fact that we use no selling pressure, virtually.

Mr. LOCKYER: This contract is a very effective contract.

Mr. BLACK: Yes, but people's financial circumstances and family circumstances change, largely financial, and bring about lapse. I think 1,800 out of 42,000 is a very favourable lapse ratio compared with commercial insurance.

Mr. THOMAS: What would that be percentagewise, Mr. Chairman, about three per cent?

Mr. BLACK: Less than five per cent. We have the ratio exactly, it is 4.2 per cent.

The CHAIRMAN: Have you any further questions?

Mr. STEARNS: As I understand from what Colonel Lalonde said just now, if we set the date as 1962 Colonel Lalonde has also suggested that we have got to decide whether we are going to maintain section 3 of the act as it stands now, which will indicate specifically what was intended in section 3 of the Veterans Insurance Act, so that they will be included. That will be a simple matter of determining whether they approve and recommend that it be done.

Mr. LALONDE: That is right, sir. You either recommend it for everybody or you pick out certain groups within the definition contained in that section for whom you want to make a recommendation.

The CHAIRMAN: Does that conclude our discussion on the deputy minister's presentation this morning and does it conclude our discussion on the amendment to Bill C-34?

Mr. MONTGOMERY: As a matter of clarification I would like to ask this question once more. When we use the word "veteran" that does not include the auxiliary services such as the firefighters, seamen, and so on?

Mr. LALONDE: I think, Mr. Montgomery, that if you use the term "veteran" you will cover all the people who, in their own act, are defined as veterans for purposes of the Veterans Insurance Act. For instance, firefighters, special operators, supervisors and women's royal naval services, the South African Military Nursing Service, who are defined in their acts as veterans for the purposes of this act.

The term "veteran" will not cover those who are specifically mentioned in section 3 of the Veterans Insurance Act, such as a widow or widower of a veteran, the persons who are still in the regular forces, the merchant seamen who received or were eligible to receive a bonus and those who receive a disability pension. They are not covered by the definition of "veteran" because they are specifically mentioned in section 3.

Mr. BIGG: Might we ask that this definition be carefully looked at, to make sure that we are not excluding persons whom we want to include in this?

Mr. LALONDE: I think that if you would make a recommendation covering all those who are included in section 3 of the present act you will cover everybody.

Mr. BIGG: If you think that is necessary I would make that motion.

The CHAIRMAN: We will discuss this when we are discussing our report, Mr. Bigg.

Mr. LOCKYER: Does that include the merchant seamen?

Mr. LALONDE: The merchant seamen who are mentioned in section 3(1)(b)(iv) of the Veterans Insurance Act would be included.

Mr. FANE: Mr. Chairman, I would like to know just in what way the firefighters are not given the same consideration as other people who did their bit in the war?

The CHAIRMAN: That is a general query, Mr. Fane, it is not with reference to the insurance act.

Mr. LALONDE: The only thing that I can say, Mr. Fane, is the same reply I made to the same question on merchant seamen, that this will be considered at some time, as the minister has promised, by the parliamentary committee and discussed fully then and we will place all the facts before the committee.

Mr. FANE: Well, you were mentioning about insurance, the insurance being reserved for the firefighters and I was just wondering in what way they are being discriminated against.

Mr. LALONDE: I would not like to answer that, Mr. Fane, but under the firefighters' act parliament decided to give them eligibility for veterans' insurance. It is mentioned specifically in their act.

Mr. FANE: I do not know anything particularly about it and I have got a brief from someone in Calgary here, I presume everybody got them, but I just do not know what the score is.

The CHAIRMAN: As the deputy minister suggests, Mr. Fane, we will be having representations from this particular group, no doubt, at future sittings of this standing committee, and I think—

Mr. FANE: That is fine, Mr. Chairman. If this is not the time to take it up that will be fine. I will know more about it later.

The CHAIRMAN: Gentlemen, if we have concluded our discussions in this regard, that concludes the business of this committee this morning other than the preparation of our report to the House of Commons.

Before we move into camera for that consideration I would like to thank the deputy minister and his departmental officials. We will still have one further session to consider the amendments to the Children of War Dead Act, but at the moment we can dispense with your services. We thank you very much for being here.

Some Hon. MEMBERS: Hear, hear.

Mr. LALONDE: Thank you very much, Mr. Chairman. It has been a pleasure to work with this committee and we are looking forward to more sessions.

Mr. WEICHEL: Could I ask Colonel Garneau a question before he leaves?

I was informed this morning that a Mr. Harry Fisher, who lives in my home town, is applying for a war veterans allowance. His wife wrote saying that this has been taken up by the Kitchener legion. I just wanted to know if his application has been received. I understand this chap is in bed, and that this is a very needy case. I was wondering if I could find out what the situation is, and then perhaps I could contact the D.V.A. man in our district and ask him to check it over.

Mr. GARNEAU: Was the application sent in some time ago?

Mr. WEICHEL: I believe so.

Mr. GARNEAU: It would normally be sent to the district office and they would process the whole application, send an investigator out and then have him medically examined. Do you have his name and regimental number? I could check with the district office and find out what the situation is.

Mr. WEICHEL: His name is Harry J. Fisher, and he lives at Elmira.

The CHAIRMAN: Colonel Garneau, I think this is a matter that Mr. Weichel could possibly discuss with you personally.

Mr. GARNEAU: Yes.

Mr. WEICHEL: That will be fine.

The CHAIRMAN: I am sure that Colonel Garneau and the officials of the Department of Veterans Affairs would be quite happy to hear from members of this committee, and other members of parliament in regard to questions of this nature.

Mr. GARNEAU: Yes. I can be reached by telephone at any time, and I would be quite happy to go into these various problems with you.

The CHAIRMAN: Just before we move into camera I have an announcement concerning our further sittings.

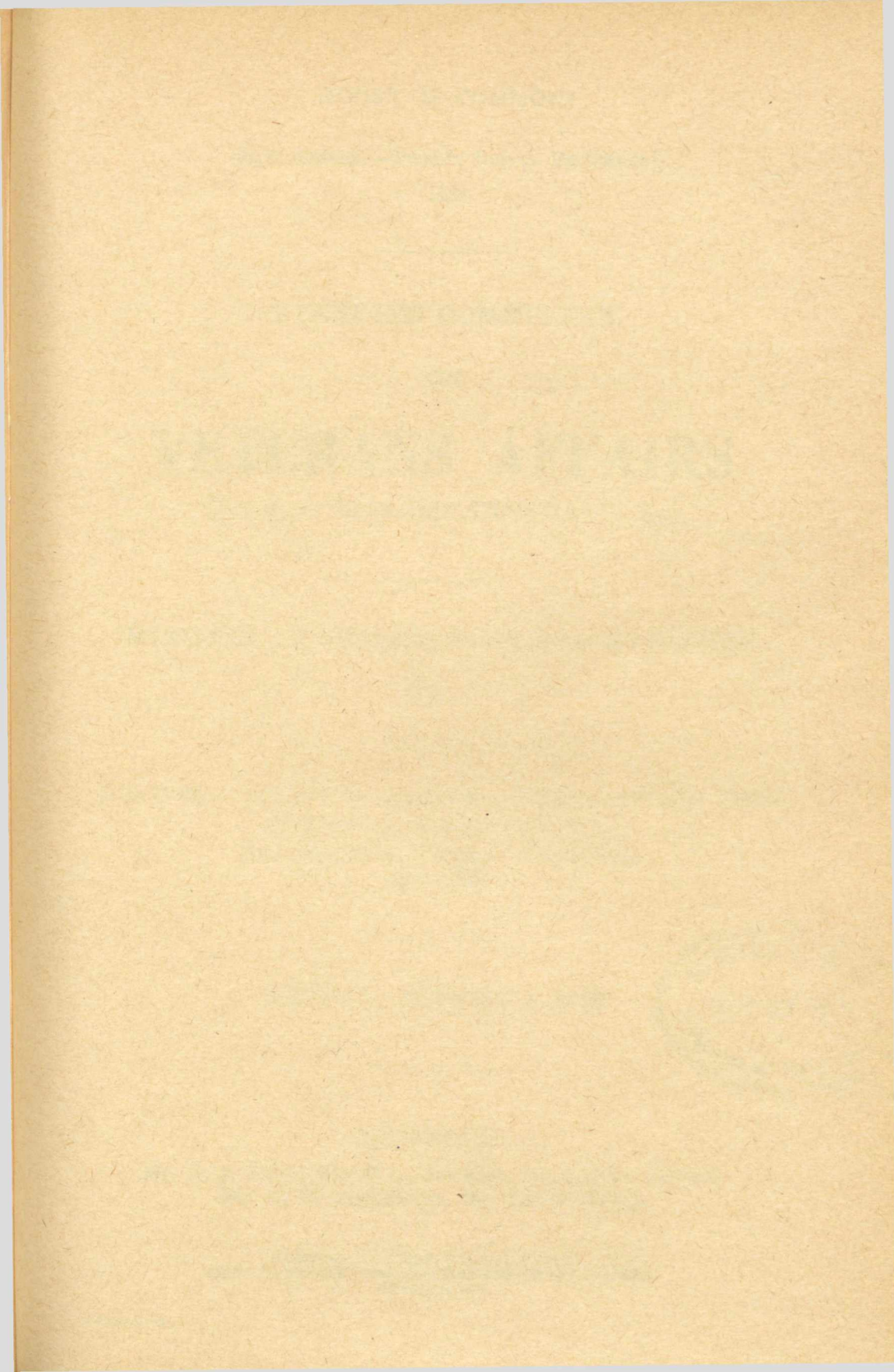
The steering committee has decided to adhere to the Thursday morning sittings unless a change becomes necessary. Having regard to the present progress that is being made in the House of Commons I think that next Thursday morning will be suitable for our next meeting. If there is any change in this regard it will be announced.

We should be able to conclude our deliberations at the session next Thursday morning, and I would suggest that the members of this committee give further thought and consideration to recommendations that ought to be included in our report.

I have a further announcement to make. I think each member has been approached in regard to biographical material. The parliamentary guide has not been prepared as yet. I think most of you have submitted biographical material to my secretary, but if there are some of you who have not done so, I would appreciate receiving that information as soon as possible. This information is required in regard to a story which will appear in the Legionary.

It has been suggested that a photograph of the entire parliamentary committee should appear in the Legionary. I think if we have a full turnout next Thursday morning, perhaps at the conclusion of the session we could assemble at a suitable place. It might perhaps be advisable to have the photograph taken while the committee is in session so that we appear as a working group.

The committee adjourned.



HOUSE OF COMMONS

First Session—Twenty-fourth Parliament

1958

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

Bill C-45 — An Act to amend the Children of War Dead
(Education Assistance) Act.
Including Fifth Report respecting
said Bill

FRIDAY, AUGUST 1, 1958



WITNESSES:

Mr. A. J. Heide, Mr. D. L. Burgess, Mr. Lucien Lalonde,
Mr. G. H. Parliament, Mr. Leslie Mutch.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1958

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.

Vice-Chairman: G. W. Montgomery, Esq.

and Messrs.

*Anderson	Herridge	Peters
Batten	Houck	Regnier
Beech	Jung	Robinson
Benidickson	Kennedy	Rogers
Bigg	Lennard	Speakman
Broome	Lockyer	Stearns
Cardin	Macdonald (<i>Kings</i>)	Stewart
Carter	MacEwan	Thomas
Clancy	MacRae	Webster
Denis	McIntosh	Weichel
Fane	McWilliam	Winkler
Forgie	Ormiston	Roberge
Garland	Parizeau	

*Replaced by Mr. Matthews on July 28th.

Antoine Chassé,
Clerk of the Committee.

ORDERS OF REFERENCE

MONDAY, July 28, 1958.

Ordered,—That the name of Mr. Matthews be substituted for that of Mr. Anderson on the Standing Committee on Veterans Affairs.

THURSDAY, July 31, 1958.

Ordered,—That the Bill No. C-45, An Act to amend the Children of War Dead (Education Assistance) Act, be referred to the Standing Committee on Veterans Affairs.

Attest.

LEON J. RAYMOND,
Clerk of the House.

REPORT TO THE HOUSE

TUESDAY, August 5, 1958.

The Standing Committee on Veterans Affairs has the honour to present its

FIFTH REPORT

Pursuant to the Order of Reference of Thursday, July 31st, 1958, your Committee has considered Bill C-45, An Act to amend the Children of War Dead (Education Assistance) Act, and has agreed to report same without amendment.

During the consideration of the said Bill your Committee received a brief, supplemented by oral representations, from the Canadian Legion and also written representations from the War Amputations of Canada with respect to further proposed amendments to the Act.

Your Committee was sympathetic to these proposals, advocating the extension of the educational benefits, but as the Committee was informed that such proposals involved the introduction of a new principle into the Act, it was felt that further study was required before a recommendation could be made.

A copy of the Minutes of Proceedings and Evidence relating to the said Bill is appended, together with similar copies relating to Bill C-33, An Act to amend The Returned Soldiers' Insurance Act, and to Bill C-34, An Act to amend the Veterans Insurance Act, reported respectively on July 18th and on July 25th, in the Committee's Third and Fourth Reports.

Respectfully submitted,

WALTER DINSDALE,
Chairman.

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 268,
FRIDAY, August 1, 1958.

The Standing Committee on Veterans Affairs met at 10:00 o'clock a.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Broome, Carter, Dinsdale, Fane, Forgie, Garland, Herridge, Jung, Lockyer, Macdonald (*Kings*), MacEwan, MacRae, McWilliam, Matthews, Montgomery, Ormiston, Parizeau, Roberge, Robinson, Rogers, Speakman, Stearns, Thomas, Webster, Winkler.

In attendance: From the department of Veterans Affairs: Honourable A. J. Brooks, Minister of Veterans Affairs; Mr. Lucien Lalonde, Deputy Minister; Mr. F. L. Barrow, Departmental Secretary; Mr. C. F. Black, Superintendent, Veterans Insurance; Mr. W. G. Gunn, Q.C., Director of Legal Services; Mr. J. G. Bowland, Chief, Research and Statistics; Mr. G. H. Parliament, Director-General, Welfare Services; Mr. Leslie A. Mutch, Vice-Chairman, Canadian Pension Commission, and Mr. F. J. G. Garneau, Chairman, War Veterans Allowance Board.

From the Canadian Legion: Mr. D. L. Burgess, Dominion President; Mr. T. D. Anderson, Dominion Secretary, and Mr. D. M. Thomson, Director Service Bureau.

Also, Mr. A. H. Heide, National Secretary, Canadian Merchant Navy Veterans Association.

The Committee was presented with a brief from Mr. Heide, who was questioned thereon at length.

Mr. D. L. Burgess, Dominion President, submitted a brief on behalf of the Canadian Legion and was questioned thereon.

The Chairman thanked both witnesses for their presentations.

The Chairman read into the record a communication from the War Amputations of Canada.

The Committee then proceeded to the clause by clause study of Bill C-45, An Act to amend The Children of War Dead (Education Assistance) Act.

During consideration of the said Bill the Minister was heard, also Mr. Lalonde, Mr. Mutch, Mr. Parliament and Mr. Thomson.

Clauses 1, 2, 3, and 4 were adopted. The Preamble and the Title of the said Bill were also adopted and the Bill ordered to be reported to the House without amendment.

At 1.05 o'clock p.m. the Committee took recess.

AFTERNOON SITTING

The Committee resumed, in camera, at 3:00 o'clock p.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Benidickson, Carter, Dinsdale, Fane, Forgie, Garland, Herridge, Jung, Lockyer, Macdonald (*Kings*), MacRae, Matthews, Montgomery, Parizeau, Roberson, Rogers, Speakman, Stearns, Stewart, Thomas, Webster, Winkler.

The Committee studied a Report to the House on Bill C-45, An Act to amend the Children of War Dead (Education Assistance) Act.

After a prolonged discussion, the Fifth Report of the Committee was adopted and ordered to be presented to the House.

At 4:45 o'clock p.m. the Committee adjourned to the call of the Chair.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

FRIDAY, August 1, 1958.
10:00 a.m.

The CHAIRMAN: Gentlemen, we have a quorum and in view of the fact that we must rise at 11:00 o'clock for a brief recess because of the opening of the house I think we should get under way at this time.

The first item of business this morning is a brief to be presented from the Canadian Merchant Navy Veterans Association, and they are represented by Mr. A. J. Heide, who is the national secretary.

I think the best way to handle this part of the business is to have Mr. Heide formally introduced. Will you stand and take your bow Mr. Heide and come forward to the chair on my right. If you could present the brief formally, then I think we could have you cross-examined on the brief.

Before Mr. Heide speaks to you, we are very happy to have the minister with us this morning, Mr. Brooks. Is there anything you have to say at this time?

Hon. A. J. BROOKS (*Minister of Veterans Affairs*): No.

The CHAIRMAN: Mr. Heide, will you proceed, please.

Mr. A. J. HEIDE (*National Secretary, Canadian Merchant Navy Veterans Association*): On November 29, I think, of last year Mr. Brooks promised that this committee would give us a hearing at the next session of the house. Mr. Brooks said the thing had been kicked around at least for 10 years when he was a member of the house—not a member of the government.

You will notice by the brief that the legislation we asked does not entail a great deal of expenditure of money.

My brief is as follows:

Below are some of the matters we would like your committee to consider and recommend:

Pensions:

Extend pensions to men injured through other than enemy action. Many were hurt in the course of their duties before workmen's compensation came into force.

Manning Pool Two-Year Agreement:

This agreement was brought into effect the latter years of the war when as ship began rolling off the ways across Canada, there was a dearth of personnel to man them. All benefits granted us in the past are contingent on the seamen having signed this agreement. We have pointed out to previous governments the utter unfairness of this legislation. In the first place it was not publicized sufficiently. Hundreds of men touched Canadian ports for only a few days, or did not touch one at all, from the time the act came into force until the end of the war and never got to hear of the agreement. We ask that any seamen who served continuously until the end of the war be entitled to all benefits granted, or to be granted, wartime merchant veterans.

Burnt out Pensions:

The years are proving that the seamen who spent days in a lifeboat or on a life raft, or hours in a life jacket, especially in World War I are suffering the same disabilities as the men who are now receiving "burnt out" pensions as a result of suffering hardships in the other services.

Medical Boards:

This association understands all records of wartime injuries and sickness suffered by seamen have been destroyed. This makes it doubly difficult for our men to establish pension claims. Further, the referees on these boards are doctors who served in the other forces. We suggest that the doctors who served the manning pools would make excellent referees. In many cases they dealt with these men and can recall their case histories, even though the records have been destroyed.

Housing and Veterans Land Act:

Why cannot the Merchant Navy Veteran raise his family in the same decent manner as other servicemen, or become self-supporting and a good citizen through the Veterans Land Act? This legislation entails no burden on the taxpayer and is proving a very successful operation with the other veterans.

Civil Service Preference:

We ask the same benefits here as apply to other veterans.

In general, there are a number of matters to which we hope your committee will give consideration. We understand Canada's Merchant Marine is to be re-vitalized and we ask any new ships constructed be of a nature that they can carry sufficient armaments in case of a future war. We ask that seamen be sufficiently trained, as are sailors, soldiers and flyers, before being sent into battle in another war.

In fact, this association is of the opinion this committee might well recommend to enact a statute making the Merchant Marine an auxiliary of the navy in case of war, with the same entitlements and post war benefits as may apply to that branch of the service.

You will notice that the legislation for which we ask does not entail a great deal of expenditure of money. The Veterans Land Act, the housing legislation and the Civil Service Preference as it affects us will not cost the citizens of Canada a great deal of money.

Housing is a very great problem with us. Some of you may know that our force was recruited mainly from two categories, boys who were under age and could not get into the forces, and men like myself who were over age.

With respect to those youngsters who were under age, the previous government gave vocational training and certain educational grants. They are young married men now, and they are raising families. We believe that, in justice, those boys should be able to raise their families in the same type of good housing that is enjoyed by the veterans who got out of the forces are able to do today. In respect of the War Veterans Allowance Act we believe that the men who spent a few days or perhaps even a week on a life raft or a life boat have suffered as much as the members of the other forces, and should be entitled to the same benefits accruing as the result of their disabilities.

Then, with respect to manning boards, if it is possible that the men who examined us and who looked after us in the manning pools could be our

medical referees, I believe that we would get a more sympathetic hearing than we have up to the present time under the present manning boards.

Then, with reference to civil service preference, we find that when we apply for civil service jobs, we are treated as civilians. We have no standing as veterans whatsoever. We believe that those men who served in the merchant navy are entitled to the same veterans preference in the civil service as members of the other three forces.

That about covers the thing. There is one thing I have not mentioned in here, and that is the matter of business and professional loans. Those boys who took vocational training some eight or nine years ago are now coming to the place where they have a little money saved up and they want to go into business for themselves. Seeing that there is no entailment of money, and it is not costing the government anything, we think that it would be only fair that these men be able to borrow money, the same as the other men from the other forces who went into business are entitled to do.

I saw something in the newspapers the other day which referred to a matter which had come up in the House of Commons, where it was stated that these business and professional loans have proved successful among the members of the other three forces.

I thank you; that is all I have to say at the moment.

The CHAIRMAN: Mr. Heide has supplied each member with a copy of the presentation he has made this morning. At this time we would be prepared to receive any questions you might wish to ask.

Mr. SPEAKMAN: Could we hear from the minister, first, perhaps? Perhaps the minister could give us his views on the matter.

The CHAIRMAN: No, I think we might proceed to a cross-examination of the witness, first,—and not the minister.

Mr. BROOKS: I might say that I have heard the story concerning the merchant marine for a good many years, and I have expressed my views—which will be seen if anyone cares to go back through the records.

Mr. HERRIDGE: Mr. Chairman, could Mr. Heide tell the committee if he has any estimate of the number of men who would be affected by the proposals he mentioned in his brief?

Mr. HEIDE: Mr. Herridge, until the manning pools were established, there was no record of the men who served. The shipping companies were the only ones who knew, and they kept very loose records, so that it is impossible to estimate. But the closest we could come—and the Department of Veterans Affairs has agreed with this—was 12,000 men who served. Of these there would be roughly 3,000 to 4,000 from the Old Country. Because when the ships started to come off the ways, we did not have suitable personnel, such as engineers, to man our ships. They brought Englishmen over here, many of whom had been retired for some time. Officer personnel came over. However, out of the 12,000 we figure that between 8,000 and 9,000 are Canadians, resident in Canada at the present time.

Mr. HERRIDGE: In your opinion, so far as you can estimate, there would be 8,000 or 9,000 affected by these proposals?

Mr. HEIDE: Yes; there is no way of finding out definitely.

Mr. STEARNS: So far as Mr. Heide's association is concerned, do they have any record of the number of these seamen? Do you have a record of the number of seamen—say, eight or nine thousand; do you keep a roster?

Mr. HEIDE: No, that is the work of the Department of Transport. We agreed, when we went to the Department of Transport to find out as to the number of men who served, they had no record.

Mr. STEARNS: How would this department ever determine who was eligible?

Mr. HEIDE: So far as the benefits we receive are concerned, for instance, in the matter of veterans insurance, and some other benefits that we have, a man who served west of Estavan Point, which was shelled by a Japanese submarine—any man who served west of that was considered in a dangerous area of warfare; and from a point east of Quebec, where a German submarine sunk a steamer—anything east of that was considered dangerous waters.

Mr. STEARNS: That was not what I had asked. How would we ever be able to locate these men, and how much time would it require to determine how many men were eligible?

Mr. HEIDE: Well, we are hoping that whatever benefits you may wish to grant us will be more publicized than they were the last time. There are hundreds of men, for instance, who missed out on vocational training because they did not know it was in effect. There was not sufficient publicity given to the legislation. And even now, when I came through from the west I stopped off at Edmonton, and there were a number of men whom I met in our association—and we have associations in various cities—who did not know that veterans insurance was in force. They never heard of it, that they were entitled to it. And as a result of that they were not able to take advantage of it.

Mr. HERRIDGE: I presume that these men who were entitled to veterans insurance and vocational training and so on had to complete departmental application forms which would require them to establish their right as a result of service within the law?

Mr. HEIDE: Yes.

Mr. HERRIDGE: And you suggest the same type of form or procedure should be used for qualifying men, if the government saw fit to extend benefits to them?

Mr. HEIDE: It does not require the establishment of any offices. The government already has offices in connection with the Department of Veterans Affairs.

Mr. HERRIDGE: That is not the point; do you suggest that the same form or procedure should be used to establish their claims, to qualify them for benefits that may be extended to them in the future?

Mr. HEIDE: Yes.

Mr. MONTGOMERY: I would like to ask Mr. Heide this question; those seamen who have received benefits—have they been confined to the manning pool—that is, those who signed the agreement in the manning pool?

Mr. HEIDE: Yes. And that is a very sore point. There are hundreds of men who never heard of that agreement. All benefits are now the result of having signed a two-year agreement—that is, two years or the duration, whichever was the greater. There are so many men who never heard of that agreement; and this is just another place where it was not sufficiently publicized, even in the manning pools. There was no notice on the board that I can remember, and so many men never touched a Canadian port from the time that condition was set,—or if they did touch a main port they would be in only a couple of days loading cargo, and would be going out again. And the result is that they never knew that an agreement was in force. They would have signed it if they had known that it was in force, because it meant a 10 per cent bonus on their wages.

Mr. MONTGOMERY: Up to the present time, would a seaman be refused any of the benefits because he had not signed it?

Mr. HEIDE: Yes, absolutely.

Mr. MONTGOMERY: It is only those who had signed who have been given any benefits?

Mr. HEIDE: That is right, yes.

Mr. SPEAKMAN: In other words, those records which exist apply only to the people from the manning pool?

Mr. HEIDE: Yes.

Mr. SPEAKMAN: How many of them?

Mr. HEIDE: I do not know; I have not looked into the figure.

Mr. SPEAKMAN: Approximately?

Mr. HEIDE: I would say about a third of our force who did not sign that agreement because of no fault of their own.

Mr. SPEAKMAN: About two-thirds did sign it?

Mr. HEIDE: Yes.

Mr. SPEAKMAN: So that that would be about 6,000?

Mr. HEIDE: Yes.

The CHAIRMAN: With respect to these questions connected with statistics of merchant seamen I understand the departmental officials will be able to give us some information on that score when Mr. Heide has completed his testimony.

Mr. MONTGOMERY: There is one more question, if I may. I should like to ask—perhaps this is from ignorance—I do not know what he means when he says:

Extend pensions to men injured through other than enemy action. Many were hurt in the course of their duties before workmen's compensation came into force.

What does that mean?

Mr. HEIDE: Before workmen's compensation came into force those men who were injured other than by enemy action are not pensionable under the present legislation.

Mr. MONTGOMERY: Would that be injured by boat loading and unloading, for instance?

Mr. HEIDE: Yes; I have a case in mind of a fellow in Vancouver, a man who is a paraplegic and will not work again. Because the ship was not under attack at the time, and his injury was not the result of enemy action, under the present legislation he is not pensionable.

We have a number of cases of youngsters—in fact, I have three cases in mind of boys who were 14 years of age when they joined the merchant marine and, because of their under-developed state of lungs, they contracted tuberculosis.

Under the present legislation it has been ruled that that was not the result of enemy action, and therefore those boys cannot be pensioned. They can be pensioned only if they were injured directly, by direct enemy action. Anything else is not pensionable. Then, workmen's compensation came in in the latter part of 1942. Previous to that there was no compensation for those men.

Mr. MONTGOMERY: Under workmen's compensation, those boys would be getting a pension, or compensation?

Mr. HEIDE: Yes.

Mr. SPEAKMAN: At the present time these people are being taken care by what agencies?

Mr. HEIDE: I do not know, unless it is a local relief agency; that is all.

Mr. SPEAKMAN: Strictly charitable agencies?

Mr. HEIDE: Yes.

Mr. HERRIDGE: Where would the majority of the 8,000 men who might be eligible be residing now? Are they mostly ashore now?

Mr. HEIDE: Well, yes; the previous government saw fit to reject our merchant marine, bringing all our ships out so that they are sailing under foreign flags and foreign crews. Shipping companies tried to get out from under the high cost of labour—which they did. And the previous government sold them out, with the result that these men are trying to get jobs ashore, and adjust themselves to them.

Mr. BROOKS: They are pretty well scattered all over the world.

Mr. HEIDE: All over Canada.

Mr. LOCKYER: I was interested in a statement as to where the records would be. Where would the records of the men be; would they be in the navy records, or where?

Mr. HEIDE: As I said previously, the records are there after the manning pool came into force. But prior to that there were no records kept by the Department of Transport. We were just hired and fired by the shipping companies. And even the shipping companies have not got the records.

I went to several shipping companies in Vancouver to try to find the records of certain men and they said, "We destroyed the records years ago".

The only records available are those from the time the manning pool was established; and the Department of Transport has that, nothing previous to that.

Mr. LOCKYER: You talk about the records being destroyed, do you?

Mr. HEIDE: Yes; the Department of Transport, I understand, has destroyed certain records, too.

Mr. CARTER: I was wondering about the registry of shipping. They have records going back over many years. If a seaman wanted to prove his claim he could prove he was on a certain ship at a certain time by going back to the registry of shipping, could he not?

Mr. HEIDE: No, Mr. Carter. I, for instance, endeavoured to establish my service, and I tried every avenue and the only record that the shipping company had was my record for after the war. They said that all records that they had from during the war had been destroyed.

I sailed until about a year after the war was over, because they appealed to us to stay in because it was stated that Europe was starving to death. In order to prevent that starving to death, a lot of us stayed in, in order to serve that purpose.

Mr. CARTER: I remember some cases in Newfoundland where a fellow had lost his discharge papers, but he could remember the ship on which he served, and he switched from one job to another. In some cases we did maintain a register of shipping in Newfoundland. Unfortunately part of it was destroyed by fire. Some of these claims could be proved, I know from experience, from the registrar of shipping. Others related back—that is, where the ships were registered in Britain—you could get it from there. You are talking purely about ships registered in Canada, only, are you?

Mr. HEIDE: Yes. Of course you were part of the British Empire.

Mr. CARTER: A good many Canadian sailors served on ships of other registry?

Mr. HEIDE: Yes. Of course Newfoundland was not part of Canada at that time, and therefore as part of the United Kingdom there was a much closer record kept of the merchant marine than was kept by Canada.

Mr. WEBSTER: Would you not have your discharge book?

Mr. HEIDE: Yes—although, mind you, an awful lot of them were lost. I think the majority of us have our discharge books. But of course a good portion of them were lost, when ships were sunk and men lost all their gear, and everything else.

Mr. MACDONALD (*Kings*): Mr. Chairman, I am sorry that I missed the earlier discussion. However, some of us were attending another committee meeting. From reading the submission given by Mr. Heide, do I gather that the merchant navy veterans are asking for virtually the same privileges as the other servicemen who served during the last war? I notice that under pensions and burnt-out pensioners, and housing, and Veterans Land Act, and Civil Service Preference—in reference to those things they are asking for practically the same as the other veterans.

Mr. HEIDE: That is right.

Mr. MACDONALD (*Kings*): Do you consider them to be in the same category as the man who volunteered to serve anywhere for his country?

Mr. HEIDE: Well, Mr. Chairman, to begin with, there are two things that we should keep in mind. One is the fact that the merchant seaman costs the government nothing. The very clothes I stood up in—within 48 hours of the time I signed my agreement, I was aboard ship. I have forgotten what the cost was, but I believe the cost to train army, navy and air force personnel ran between \$8,000 and \$12,000, with the air force being the highest.

On the other hand we cost the government nothing. And another thing is that some of the Members of Parliament, perhaps, are under the impression—perhaps some of the new members—that we were very highly paid.

In 1947 the question was asked in the House of Commons—and those of you who were members in the house at that time will recall the incident, because it is recorded in *Hansard* of July 12, 1947—where it was pointed out that in 1942 the merchant seaman was paid \$47.09. That was his basic wage.

The CHAIRMAN: Do you have a comment to make, Mr. Carter?

Mr. CARTER: I would like to ask two questions. First I would ask Mr. Heide, when a merchant seaman signed this agreement in the manning pool, did he get a service number, as did those who joined the other services?

Mr. HEIDE: Yes, you got a card, saying that you were a member of the pool.

Mr. CARTER: And that card gave him a definite number?

Mr. HEIDE: Yes, that is right.

Mr. CARTER: And I notice in your brief you have not mentioned educational benefits. Is there any special reason for that?

Mr. HEIDE: Well, I do not think, Mr. Carter, that very many would take advantage of that. You see, it is so long ago, that those men are out of the category where they would want to go to school.

Mr. CARTER: What about their children?

Mr. HEIDE: Well, we are entitled to that. In 1953 they brought us under the act.

Mr. HERRIDGE: That is, you mean the children of pensioners?

Mr. BROOKS: Yes, the children of pensioners come under it.

Mr. HERRIDGE: In the same way as children of veterans?

Mr. ROGERS: I am sorry that I was late, Mr. Chairman, but I would like to ask how many persons this involves?

Mr. HEIDE: As I explained a little while ago, there was no record kept of the men who sailed, until the manning pools were established. But several years ago, when I appeared before a committee, the Department of Transport

and ourselves agreed that 12,000 would be involved—which would be about 8,000 Canadians and 4,000 who came from the Old Country,—technical officers and engineers, when we did not have that kind of personnel to man our ships.

Mr. ROGERS: How many were not able to take advantage of the compensation?

Mr. HEIDE: Well, as I say, here is no record until the manning pools were established, no one knows how many men were injured or how many men suffered disability. There simply was not any record kept.

Mr. MONTGOMERY: I was going to ask, there would be a certain number of these 12,000 who are already getting pensions?

Mr. HEIDE: Oh yes.

Mr. HERRIDGE: Of the 8,000?

Mr. MONTGOMERY: Of the 8,000 Canadians, yes. The other question was: what provision has the Old Country—Great Britain—made for her seamen? I am referring to these 4,000 who may have come over in ships? Are they getting compensation from their own country?

Mr. HEIDE: Yes.

Mr. MONTGOMERY: So that you are not really considering those at all?

Mr. HEIDE: No, although I believe in the case of the other forces, those who served in the Canadian forces, does not the government augment the English pension, to bring it up to the Canadian forces level?

Mr. BROOKS: Yes, if they are residing in Canada, and were domiciled in Canada prior to enlightenment.

Mr. HEIDE: We have a few of that nature among our men, too.

Mr. HERRIDGE: When the committee has completed the questioning of Mr. Heide, particularly on account of the number of new members in the committee, I assume that we will have a general explanation of the whole situation from one of the departmental officials, so that we will have a better understanding, and will have figures and things of that sort before us?

Mr. THOMAS: I have one question to ask—and I am sorry that I was not here before. My question concerns workmen's compensation. The statement was made here that before workmen's compensation came into force—well, my question will be, who actually paid these merchant seamen their wages? When did this workmen's compensation come into force?

Mr. HEIDE: The latter part of 1942. Previous to that there was no benefit. A man injured previous to that, previous to the time workmen's compensation came into effect, simply had nothing to fall back on.

Mr. FORGIE: What workmen's compensation are you referring to? That is a provincial matter, is it not?

Mr. HEIDE: First of all, Ontario and British Columbia—men who sailed from those two provinces, are under workmen's compensation. Then, later, the Dominion Government brought us under the same compensation as the civil service.

Mr. THOMAS: Do you mean the civil service workmen's compensation did not apply?

Mr. HEIDE: Not until the latter part of 1942.

Mr. THOMAS: Were the men working for the Department of Transport?

Mr. HEIDE: Yes. We were sailing under the Department of Transport; that was our authority.

Mr. THOMAS: And paid by the Department of Transport?

Mr. HEIDE: No; paid by the shipping companies. As I say, the wages were so low that the government added a \$44.33 war bonus. That was tacked on. I think the shipping companies had the idea that when the war was over they could knock it off, but it was embodied in the wage scale after the war.

Mr. CARTER: I am not sure what you said. Did you say that the basic wage was from \$42 to \$47.90?

Mr. HEIDE: \$47.44.

Mr. CARTER: A week or a month?

Mr. HEIDE: A month.

Mr. CARTER: And in addition to that there was a bonus?

Mr. HEIDE: Not at that time.

Mr. CARTER: But later?

Mr. HEIDE: Yes.

Mr. CARTER: What was the bonus?

Mr. HEIDE: \$44.33, I think.

Mr. CARTER: For what period of time was that retroactive?

Mr. HEIDE: It was not retroactive. It came into force, I think, in the latter part of 1942.

Mr. CARTER: After that came into effect then you got around \$90 a month?

Mr. HEIDE: Yes.

Mr. CARTER: Even then it was less than in the army?

Mr. HEIDE: When you consider that we had to buy our own gear and had to look after all our own dental work. For instance, I wear glasses and I lost or broke half a dozen pair during my service and had to buy those myself and also pay for dental work and clothing, and a person also had to support a family if he was married.

This indirect and direct action business is an awful handicap to our force. This is rather a personal matter; but my brother fell between the dock and the ship in the blackout. The gangplank was icy in Plymouth and he slipped and fell and banged his head against the side of the ship, fell in and was drowned. His widow and the children under the present act are not pensionable because it was not in enemy action.

Mr. STEARNS: Did the shipping company assume no liability?

Mr. HEIDE: No sir; they certainly did not.

Mr. STEARNS: I believe in peace time, before the war, the Canadian Pacific Steamships did; if you were sailing and a person was unfortunate enough to be drowned, did not the Canadian Pacific Steamships award something to the widow?

Mr. HEIDE: I do not know, sir. My sailing days were confined strictly to during the war.

The CHAIRMAN: Are there any further questions? If we have finished our questions of Mr. Heide, perhaps we could have a brief statement as to the background from the officials. Could the benefits which are available be outlined?

Mr. HERRIDGE: I do suggest that since we have so many new members on the committee that a well-documented brief, such as the deputy minister has, would be of great assistance in understanding this matter.

Mr. CARTER: Before Mr. Heide leaves I have one more question. He told us that the total remuneration around the latter part of 1942 was around \$92 a month. Did the basic wage go up later?

Mr. HEIDE: Yes.

Mr. CARTER: What was the final rate?

Mr. HEIDE: \$98. The highest I drew, in the last few months of the war, was \$133.44 a month.

Mr. CARTER: Including the bonus?

Mr. HEIDE: Yes.

Mr. HERRIDGE: As a seaman?

Mr. HEIDE: Yes.

Mr. BROOKS: In the evidence given in 1948 the statement which was made was as follows:

I am going to deal with the wages paid, commencing at \$47 and gradually increasing to \$144.

And for the last few months there was an increase in that amount.

Mr. HEIDE: That was the highest I drew. There was an increase after the war, Mr. Minister.

Mr. BROOKS: Yes. Somewhere it was mentioned that it was increased in the last few months.

The CHAIRMAN: Have we completed our cross-examination of Mr. Heide?

Mr. LOCKYER: Is your organization strictly confined to veterans of the merchant marine?

Mr. HEIDE: Yes.

Mr. LOCKYER: Not sailors?

Mr. HEIDE: No. We are chartered under part II of the company's act by your government, and our membership stipulation is the same as I mentioned a while ago. The men under that stipulation are the only ones who are eligible for membership in our association.

Mr. LOCKYER: Would it be fair to ask if you have substantial numbers of these men?

Mr. HEIDE: Our membership has dropped off during the last couple of years for the simple reason that they figured it was useless because we could not get anywhere with it with the previous government. I will not say the men became disgusted, but they figured that they were not going to get the benefits to which they were entitled.

Mr. LOCKYER: The only reason I asked that question was to try to think how we could reach those men?

Mr. HEIDE: You would reach a great number of them through our association. The members who do belong know of the others who do not belong. Perhaps the previous legislation was not publicized enough. The same thing applies in the other veterans organizations. There are a little over a million and a half service people, men and women in Canada, and the legion has less than 200,000 members; yet, when legislation is passed, it gets around to all the returned men.

Mr. HERRIDGE: I think the legion is quite a number in excess of that.

Mr. HEIDE: They may have picked up in the last couple of years.

Mr. HERRIDGE: Yes.

Mr. CARTER: I wonder if Mr. Heide could tell the committee whether or not there was any difference in the position of a captain of a ship during war time than there would be if the ship were engaged in an ordinary commercial operation in peace time. The company was not a free lance and the captain was not; his actions were governed by the military or the admiralty in certain ways?

Mr. HEIDE: Yes. When it came to sailing, we were under the jurisdiction of the navy when in convoy.

Mr. CARTER: You were ordered where to go by the admiralty?

Mr. HEIDE: Yes.

Mr. CARTER: So there was not much difference between a merchant seaman and an ordinary person in the navy except in so far as the cost was concerned.

Mr. HEIDE: Except the danger. The navy was not sitting on a highly explosive oil tanker or munitions aided by lots of armour to protect them.

Mr. CARTER: As far as the movement was concerned, that was determined by military authorities?

Mr. HEIDE: Yes.

Mr. MONTGOMERY: When you signed on in the manning pool, or before, did you sign on for any period or only for a trip, or what?

Mr. HEIDE: We signed on for two years or for the duration of the war. If the war was over in six months, the government thought that if we were to quit that there would be chaos. So they made us sign on for a minimum of two years or for the duration of the war.

Mr. THOMAS: I am trying to get to the responsibility of the Canadian nation to these merchant seamen. Is membership in the organization restricted to Canadian citizens?

Mr. HEIDE: No; it is not. It is the same as any other veterans organization, the legion, the army and navy veterans, the amputations or others; they will take as members any of the allied forces. Mind you, I do not suppose out of four thousand men, that we would have more than one hundred who sailed with the British; but if they want to belong they are welcome. Some of those persons belong to our organization because they believe that something should be done and while they might not be entitled to the benefits, they still believe in the principle of the legislation which we seek.

Mr. THOMAS: Am I safe in assuming that there were some of these men who would be working for American shipping companies?

Mr. HEIDE: Yes.

Mr. THOMAS: Or Scandinavian shipping companies?

Mr. HEIDE: Well, you see we were subject to transfer. In other words, let us say that you were in Africa, or wherever it might be and you were sick and were taken off a ship and hospitalized. The authorities there could make you sail on an American ship, once you were well enough to sail. If there was not a Canadian ship around, they could make you sail on an American ship—or perhaps there would not be one coming into that port for the duration of the war. So there might not be another Canadian ship enter that port. The result was that they would send you out. Lots of the boys sailed on Norwegian ships and American ships, French ships—even Greek ships.

Mr. THOMAS: You mentioned that the authorities would make you sail out on these various ships?

Mr. HEIDE: They are not going to keep you there forever, you know.

Mr. THOMAS: What authority would make you sail?

Mr. HEIDE: The port authority.

Mr. THOMAS: What authority?

Mr. HEIDE: The local government authority, whatever country you are in. For instance, they would not keep you there forever. So the minute a ship came in,—you might not sail as part of the crew; they might just send you in as a passenger, so as to get you out of the port and get you into an allied country again.

Mr. MACDONALD (*Kings*): I wonder if I might ask a question about membership. I think Mr. Heide mentioned that there was a potential of about a million veterans. The figure as of the end of 1957 for the legion for example is a quarter of a million. It has increased since that time. Could you give us a figure on the membership of your own organization?

Mr. HEIDE: It is around 4,000.

Mr. MACDONALD (*Kings*): One other question; there seems to be a comparison being drawn between service of ordinary naval veterans and that of merchant seamen. In a considerable amount of work among veterans, I have not heard navy veterans take up the cause of the merchant seamen too much. What is their reaction to comparing merchant seamen with the men who served in the Royal Canadian Navy?

Mr. HEIDE: Both the Legion and the army and the navy veterans have passed resolutions asking the government to extend to us the same benefits as they enjoy—that was at both dominion conventions of the Legion.

Mr. MACDONALD (*Kings*): What was that answer?

Mr. HEIDE: Both the army and navy veterans at dominion conventions of the Legion last year passed resolutions asking the government to give us the same benefits as the members of their forces enjoy.

Mr. MACDONALD (*Kings*): I rather doubt that.

Mr. FORGIE: Well, it is in black and white somewhere, in the form of a resolution.

Mr. HEIDE: The resolution presented by the Canadian Legion last year—I believe you mentioned the fact that you saw it, did you not?

Mr. MACDONALD (*Kings*): The convention was held this year.

Mr. HEIDE: The fact of the matter is that the Legion has passed it several times, a resolution affecting our members. The first time was at the Saskatoon convention, in 1949. They passed a resolution at Saskatoon at that time.

Mr. SPEAKMAN: It was in 1950 in Winnipeg, too.

The CHAIRMAN: We have the dominion president of the Legion here; does he confirm that?

Mr. D. L. BURGESS (*Dominion President of the Canadian Legion*): Yes, and I believe it was in our brief which was submitted to the Prime Minister and the cabinet in November last.

Mr. MACDONALD (*Kings*): Do you cover all these requests in your brief?

The CHAIRMAN: Where do we stand, gentlemen? Have we completed our cross-examination of Mr. Heide? If so, we thank you, Mr. Heide, for having appeared before us.

Proceedings interrupted.

The CHAIRMAN: Gentlemen, we have a quorum. I would suggest we resume now.

When we rose at eleven o'clock we had just heard the brief from Mr. Heide. During the period of examination of that brief there were several questions asked.

I might point out at this time that the terms of reference for our sitting this morning have regard to the amendments to the Children of War Dead (Educational Assistance) Act which was referred to this committee by the House of Commons yesterday.

Mr. Heide appeared before us this morning at his request. I am now wondering how far we should continue, at this time, with our discussions in regard to some of the points raised in his brief. It is my feeling that if we deal

extensively with this whole matter of Canadian merchant seamen we will probably spend several hours discussing it.

This subject has been presented to the committee on many occasions. I have checked back through the records in that regard.

I am in the hands of the committee in regard to how far we wish to continue our discussions at this time, keeping in mind that our terms of reference have regard to the Children of War Dead (Educational Assistance) Act.

I would also mention that we have a delegation from the Canadian Legion. They have a brief which they wish to present this morning.

Mr. MACRAE: I would like to suggest, Mr. Chairman, that we move to a consideration of the amendments to this act and come back to the subject of the merchant navy at a later date.

Mr. CARTER: I do not want to throw a monkey wrench into this, but I think it would be more orderly if we had the evidence with respect to the merchant navy all together in the one place. I do not think we need to take much more than half an hour, or perhaps 25 minutes in this discussion. There are one or two questions that we could ask of the departmental officials, but I do not think there will be an extensive discussion in this regard.

Mr. STEARNS: Speaking as a new member of the committee, I think if it is not asking too much, would it be possible to have a short memorandum prepared by the officers of the department in regard to what has happened in the past, so that members of this committee could study it and then be in a position to ask intelligent questions?

Mr. HERRIDGE: I think that is a good suggestion. Perhaps the minister, or some other official of the Department of Veterans Affairs could give us an outline so that we could study it, and then leave it at that.

The CHAIRMAN: I have assurance from the officials that such a memorandum could be prepared.

Mr. CARTER: Would that memorandum form part of the record for today, Mr. Chairman?

The CHAIRMAN: Not necessarily. The printed record of this committee, of course, is a complete entity for a particular session; but I do not think there is any problem of continuity in that respect. As you will recall, in the past, subjects continued from day to day, and sometimes it is impossible to receive answers to questions immediately. These answers are then very often supplied on later occasions.

Mr. HERRIDGE: Mr. Chairman, I do not think Mr. Carter intends to throw a monkey wrench into the proceedings. I believe he wants to keep the subject on the quarter-deck.

The CHAIRMAN: I take it then it is the wish of the committee that we proceed with the amendments to the Children of War Dead (Educational Assistance) Act?

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: Our terms of reference are that the Bill No. C-45, an act to amend the Children of War Dead (Educational Assistance) Act, be referred to the standing committee on veterans affairs.

The clerk of this committee assures me that a copy of that bill has been placed in the hands of each member present, so that you have it for reference.

I assume you heard yesterday the statement of the Minister of Veterans Affairs in the House of Commons at the resolution and second reading stages.

At this time I think we should call upon Mr. Burgess, the dominion president of the Canadian Legion, to present his brief. A copy of the brief will be made available to each member of the committee.

While Mr. Burgess is assembling at the front of the room here, I would just like to present this thought to you: if we do not conclude consideration of the bill this morning I wonder if it would be possible to proceed this afternoon? I suppose we can make a decision in that regard when we rise this morning, but I merely present it for your consideration at this time.

Mr. HERRIDGE: You want to nettle us in the meantime?

The CHAIRMAN: I want to prepare you in the meantime.

We now have Mr. D. L. Burgess, dominion president, Canadian Legion and Mr. D. M. Thompson, director, services bureau, dominion command, Canadian Legion with us this morning. We welcome you to the committee, gentlemen, and you may proceed.

Mr. D. L. BURGESS (*Dominion President, Canadian Legion*): Mr. Chairman, Mr. Minister and members of the standing committee,

We are again privileged to appear before this standing committee on Veterans Affairs. Our representations today will be confined to Bill C45 amending the Children of War Dead (Educational Assistance) Act.

The Legion originally proposed the measures provided in this legislation, and we have always taken the keenest interest in its operation since it was enacted in 1953. We are therefore glad of this opportunity to discuss the act with you and to offer our specific recommendations on Bill C45.

Clause 1

We are pleased to note that this clause broadens the basis of eligibility.

We do not, however, agree with the proposed new subparagraph (vii) of paragraph (c) of section 2. The explanatory note refers to "certain children who are in receipt of a compassionate pension under section 25 of the Pension Act". We cannot see any reason for including some children under section 25 and not including others. Section 25 of the Pension Act reads as follows:

(1) The Commission may, on special application in that behalf, grant a compassionate pension, allowance or supplementary award in any case that it considers to be specially meritorious, but in which the Commission has decided that the applicant is otherwise unqualified to receive such an award or supplementary award under this Act.

We would point out that awards can be made under this section only when the pension commission has considered the case to be specially meritorious.

Therefore the Canadian Legion Recommends That all children pensioned under section 25 of the Pension Act be eligible for educational assistance.

Clause 2

We commend the government for proposing an additional payment to those over 21. We respectfully suggest, however, that the proposed amendment does not go far enough in regard to allowances payable under this act.

We would like to draw to your attention one inequality that arises from the existing legislation. This may be best illustrated by the case of a widow with three children under 21 who are receiving assistance under this act. The payments to which they are entitled are:

	Pension Act	Educational Assistance Act	Total
1st child	\$40	\$25	\$65
2nd child	30	25	55
3rd child	24	25	49

When they reach 21 years the payments for each will be the same under the proposed new section 4 (1) i.e. \$25 + \$35, total \$60.

It appears to us that the needs of all these children will be the same. Consequently the total payments should be the same.

We also believe that present amounts payable are not realistic bearing in mind inflated living costs today.

The Canadian Legion therefore recommends that clause 2 of the bill be amended so as to amend section 4 of the act in such a way as to provide that the monthly allowance payable under the act shall be an amount, which together with the pension payable on behalf of each child shall make the total \$75.

Clause 4

While the Legion most certainly is pleased to see that the benefits of this act are being extended by Bill C45 to children pensionable under section 13 (1) (e) and 13 (2) of the Pension Act, we feel that one other very deserving group should also be included. We refer to those children pensioned under section 26 (7) of the Pension Act. This subsection reads as follows:—

The children of a pensioner who has died and at the time of his death was in receipt of a pension in any of the classes one to eleven, inclusive, mentioned in Schedule A, or who died while on the strength of the Department for treatment and but for his death would have been in receipt of pension in one of the said classes, are entitled to a pension as if he had died on service whether his death was attributable to his service or not.

The Pension Act here provides pension for children of disability pensioners if the pension was being paid at the rate of 50 per cent or more, regardless of the cause of death.

We believe that the legislators of former years who enacted this section and section 36 (3), which provides pensions for widows whose husbands had been in receipt of disability pensions of 50 per cent or more, regardless of cause of death did so in recognition of the fact that these pensioners, because of their disability, had been unable during their lifetime to provide a full measure of family life and security for their wives and children. They were unable to buy life insurance at regular rates if at all. In many instances they were unable to obtain employment as remunerative as otherwise would have been the case. The families of these pensioners have shared the effects of their disabilities. For example, the son of a badly disabled veteran may have been denied the pleasure and benefit of his father's participation in normal athletic activities which contribute so much to a young boy's happiness and welfare.

We believe that the provisions of the Children of War Dead (Education Assistance) Act are good and benefit Canada as a whole as well as the individuals who are assisted. We also believe that this group of children pensioned under section 26 (7) of the Pension Act are deserving of special consideration and inclusion in the benefits of this act.

The Canadian Legion therefore recommends that clause 4 of Bill C45 be amended so that section 26 (7) of the Pension Act be included under schedule A.

Educational Assistance for Children of Seriously Disabled Pensioners—There are children of disability pensioners who, due to the father's permanently disabled condition, are in much the same situation as they would be had their father died on service. While he lives his children cannot receive educational assistance but the day following his death his children will be eligible for assistance under the Children of War Dead (Education Assistance) Act.

The children of a man who is seriously disabled because of his service and therefore unable to work, suffer considerable handicap because their father is not able to supplement his pension. As a direct consequence of his service disability his chances of making provision for his children's higher education are very poor. Therefore, this group of children is, we believe, worthy of consideration.

The Canadian Legion Therefore Recommends that the act be amended so that the minister be given discretion to extend the benefits of this act to the children of disability pensioners in cases where the man's disability is a serious handicap in providing higher education for his children.

We thank you, Mr. Chairman and members of the committee for this opportunity of presenting our views and recommendations on this very important legislation. The act is indeed a credit to Canada and we believe that our proposed changes will make it even more effective.

The CHAIRMAN: Thank you, Mr. Burgess. Are there any questions which you would like to direct to Mr. Burgess?

Mr. THOMAS: Have any figures been prepared as to how many children are affected?

The CHAIRMAN: Yes. We will get that from the officials of the department when they give their statement.

Mr. HERRIDGE: I presume, Mr. Burgess, that you have come to these conclusions as a result of representations from the branches of the legion and from the experience of the welfare officers in having to meet this type of case.

Mr. BURGESS: Yes; and the recommendations of our executive council.

The CHAIRMAN: Are there any further questions?

Mr. MONTGOMERY: I have no questions; but I would like to make a comment. I am not familiar with this act and perhaps there are other members of the committee who are in the same position. I do not think we are in a position to ask any questions until we have had a statement from the department on the background of this whole thing.

The CHAIRMAN: If you wish to hear the departmental officials at this time they can be brought forward. The representatives of the legion will be with us so that they can fill in the details as we go along.

Before we hear from the departmental officials, I have received a communication from the War Amputations of Canada, with reference to this legislation. I think this might be the opportune time to read this into the record.

I might add that the War Amputations of Canada expressed a desire to appear before this committee. We had a deadline of July 31 and because of that they decided to defer their general appearance until the next session of parliament. However, with reference to this legislation before us they have indicated as follows:

We have noted in *Hansard* that the Minister of Veterans Affairs has announced proposed amendments to the Children of War Dead (Education Assistance) Act.

This subject is of particular interest to our association, because at our last dominion convention a resolution was passed requesting the government of Canada to amend this act. A copy of the resolution is attached hereto.

In our opinion there is some uncertainty in the wording of the act regarding the position of children of our members under classes 1 to 11 who die as a result of a non-pensioned condition, and where pension is awarded on behalf of their widows and children. Naturally we believe that provision for such children should be made in the act.

One of the provisions in the Veterans Charter was the opportunity of a university education for those who served in World War II. We feel, therefore, that similar opportunities should be available for the children of the groups I have mentioned above, who were seriously disabled in World War II.

Your sympathetic consideration of these views would be deeply appreciated.

We would, also, be most grateful if you could send us a copy of the bill dealing with the act as soon as it is tabled.

With kindest regards,

Yours sincerely,

(Sgd) Alan L. Bell
Honorary Dominion Secretary

Now the resolution is as follows:

WHEREAS by the Children of War Dead (Education Assistance) Act, assented to May 1953, educational assistance is granted to surviving children of those killed during service, those who died subsequently of war-incurred disabilities, and those who may yet succumb to such pensioned disabilities;

WHEREAS the children of those suffering amputation due to war service cannot qualify in the event of the death of the pensioner, as it is unlikely that the commission will concede death due to disability;

WHEREAS The War Amputations of Canada is the only large group of pensioners who cannot benefit from this legislation;

THEREFORE BE IT RESOLVED that we, The War Amputations of Canada, in convention assembled, do hereby petition the government of Canada to amend the Children of War Dead (Education Assistance) Act to include the children of war amputees who, at time of death, are in receipt of 50 per cent pension or above, and that cause of death be ignored as a factor in the cases of children of war amputees.

Mr. Parliament, Director of Welfare Services for the department, will make the statement.

Mr. G. H. PARLIAMENT (*Director General of Veterans' Welfare Services, Department of Veterans Affairs*): This is a brief statement on the general outline of the act:

The Children of War Dead (Education Assistance) Act was assented to on May 14, 1953, and came into force on July 1, 1953. Unfortunately, as originally worded the act excluded, on purely technical grounds, some children whom it was intended to cover and who are now included in subsection (c) of Section 2.

The act provides assistance to children whose fathers were killed in action or subsequently died as a result of service-incurred disabilities, and the children are or have been in receipt of a pension.

The act provides allowances and fees to children attending courses requiring matriculation or its equivalent for entrance.

The fees are limited to \$500.00 and the allowances are \$25.00 per month while in attendance at a course. In addition, the pension is continued by the Canadian Commission at the rate of \$40.00 per month up to the twenty-first birthday.

The student is required to be pursuing a course of full-time instruction and is limited to four academic years or thirty-six months, whichever is the lesser. The student is required to commence the course within fifteen months after matriculation.

The act does not permit the continuation of allowances or fees where the student fails in more than one supplementary examination. However, we do grant a deferment of one year while the student is continuing, at his own expense, a repeated year.

The payment of allowances and fees is not continued beyond the twenty-fifth birthday, except to enable the student to complete the academic year in which he attains that age.

As of June 30, 1958, 1,125 children had been approved for training under this legislation since its inception.

The CHAIRMAN: Thank you, Mr. Parliament. Before we proceed to the consideration of the bill gentlemen, perhaps it would be advisable, as Mr. Montgomery has suggested, to have some preliminary questioning for the sake of eliciting additional information, so if you have questions at this time they will be received by the chair.

Mr. HERRIDGE: What was the cost of this act last year to the department?

The CHAIRMAN: Mr. Herridge, these figures will be available in a moment, so if there are any further questions at the present time, would you please ask them.

Mr. FORGIE: There is a surprisingly large number of students; I thought there would be a smaller number of students than that—1,100.

Mr. PARLIAMENT: There figures I have given you are the applications that have been approved to date. They are children of war dead and I think you will find in regard to the ages of the children having reached university level, the figure will increase as time goes on.

Mr. THOMAS: Mr. Chairman, have any figures been prepared by the Legion or departmental officials which would indicate the numbers that would be involved in case these proposed amendments were accepted?

Mr. LALONDE: We have these figures under the different groups mentioned in each clause of the bill. We will give these as we come to these groups.

Mr. MONTGOMERY: As I understand it from the statement, it is only children of pensioners who are approved by the pension committee who are given assistance under this act; is that correct?

Mr. PARLIAMENT: If the pension decision is that the father dies of a war incurred disability. We are limited by section 13(1) of the Pension Act and the schedule of this Bill. The decision must be that the father died of his pensionable disability.

Mr. MONTGOMERY: Then, is it an automatic procedure?

Mr. PARLIAMENT: They would then automatically come under the children of War Dead Educational Assistance Act.

Mr. MACDONALD (*Kings*): Is that regardless of the amount of the pension?

Mr. PARLIAMENT: Let us take a case, for example, of this kind. If a veteran with a 10 per cent disability or 25 per cent disability died of his pensionable disability, as I understand it the pension commission would grant pension under section 13. That is acknowledged in the act.

Mr. FANE: Over a 50 per cent pension it does not really matter what he dies of.

Mr. PARLIAMENT: That is a pension matter under the children of war dead. We could not do it unless the pension commission gave a decision he died of his pensionable disability. I think that is probably the reference of the war amputees in their resolution and the Legion in their Brief. In many of these cases a man could die and have been in receipt of a 50 per cent pension but the pension commission would still have to give a decision.

Mr. FANE: So long as it was between clauses 1 and 11.

Mr. PARLIAMENT: I think I had better let the pension commission officials give you an explanation as to how the act is interpreted. We are bound by this act which requires that the child be pensioned under section 13.

The CHAIRMAN: Mr. Fane, do you wish that explanation?

Mr. FANE: Yes, because I understand the way this reads if a pensioner dies who has a disability of over 50 per cent, his children are eligible more or less automatically no matter what he dies from.

Mr. LALONDE: They are not at the moment—

Mr. BROOKS: They are not for the educational benefits, but they are eligible for pension no matter what he dies of.

Mr. HERRIDGE: Would Mr. Mutch clear this up for us?

Mr. L. A. MUTCH (*Deputy Chairman, Canadian Pension Commission*): So far as this question is concerned, the act as it is presently provides that when a pensioner dies in receipt of a pension of 50 per cent or more—actually it is 48 per cent—his widow and children are automatically pensionable no matter the cause of his death. For instance, a man might be pensioned at 60 per cent for a heart disability and he might be smothered in a fire or in an extreme case he might die any unrelated violent death—any death at all. The commission would immediately put the widow and children on pension with one month's pension. When all the facts are available, i.e. re the cause of death, if the ruling for the cause of death is that his death was due to his pensionable disability, this would leave his dependents in exactly the same position as any other pensioner whose death is due to pensionable disability. His dependents are not restricted. But when as often happens, there is no relationship between the cause of the pensioners death and the condition for which he was pensioned, then the situation which you are now discussing arises. So far as the Canadian Pension Commission is concerned the deceased's dependents are automatically pensionable and we put pension in payment for his widow and children as soon as we are able to determine the marriage status if pension was in payment at 50 per cent or more.

Mr. HERRIDGE: And that same situation prevails whether the pensionable disability is 75 per cent or 80 per cent.

Mr. MUTCH: Anywhere above 48 per cent actually.

The CHAIRMAN: Mr. Parliament has the figures for which you asked a few moments ago.

Mr. PARLIAMENT: Mr. Herridge asked for this information. The total cost of the children of the war dead as of June 20, 1958 was \$885,939.

Mr. HERRIDGE: Was that figure for that particular year?

Mr. PARLIAMENT: The total cost of the program; last year I believe it was approximately \$150,000. That is from April 1, 1957 to March 31, 1958.

Mr. LOCKYER: Mr. Chairman, would we have any information relative to the progress of the children?

The CHAIRMAN: We will have an answer to your question in a moment, Mr. Lockyer. Are there any other questions at the present time?

Mr. THOMAS: I wonder if we could have a brief statement from the officials of the department outlining the principle behind this act; that is, why was this act passed to cover certain classes of children and now we are asked or the proposal is made that the act be amended to include other classes. Has there been a change in conditions or do the reasons for which the act was drawn up in the first place still hold good? We are going to have to reach a decision as to whether or not these amendments are passed or not.

The CHAIRMAN: Mr. Thomas, the minister will answer that question for you.

Mr. BROOKS: Mr. Chairman, as Mr. Burgess stated in his brief, this matter came up before the committee some years ago—1953. I think the reason back

of it was that the children of war dead are deprived of their father and the widow received a rather small pension. It has been increased by committees and by governments as time went on. While the father was living they received the full pension; that is both the wife and the soldier received the pension, except of course in the case of someone who was killed in war. So naturally the pension today, and we will take that as an instance, the pension today of a widow is \$115. If a full pensioned soldier was still living with his wife the pension would be \$200 a month, not \$115; and besides that of course the children receive the \$40, the \$30, and so on, the children's allowances.

It is beside the fact that the widow was not alone while her husband was living, and that he, in most cases, was able to earn money besides receiving his pension.

I read it somewhere, or I heard it stated in the committee, that from 80 to 90 per cent of our men who are receiving pensions are also engaged in other employment, and could very well look after the education of their children and other responsibilities.

So this matter was taken up: children of the war dead; it was very difficult for them to get an education due to these facts; as Mr. Herridge can tell you, there was unanimous decision by committees in 1953 that this should be done.

The fact that we are coming back here for an amendment now is an indication that veterans legislation must be amended as we find some of the flaws in it. That is not a reflection on any previous committees, on previous governments, or on the Legion, because the Legion has told us this morning that they proposed this; but when they proposed it evidently they did not think of some of these other benefits which should have been given.

So we find today that we must improve the legislation and bring other people into it.

The legislation was based entirely on the receipt of pension, and pension for war dead.

We feel that those who were killed in peace time—that is, that their children are entitled to receive education just the same as the children of those who were killed in war time. Those are the feeling that are back of this, and I think it is excellent legislation.

The Legion is now asking for other improvements—improvements other than those we have suggested now. We gave very careful study to this bill and we always appreciate the Legion's stand. But like the little fellow in Dickens' story "Oliver Twist", the Legion always asks for more. Sometimes we are able to give it and sometimes not. However, that is their privilege.

We believe that the amendments we are asking for in this bill are needed, and that they will be of great benefit to children who were not included before.

As a matter of fact, I think it is going to increase anywhere from 25 to 33 or 40 per cent the number of children who will benefit from now on.

While I am on my feet I would like to speak about the Legion's asking for an increase in the amount. As Mr. Burgess pointed out in his brief previously, up until 21 years of age, the first child would receive \$65. If he is over 21 years of age, the pension would not be granted for \$40, and he would only have received \$25 after 21 years of age.

After 21 years of age the cost of education is just as great as before the age of 21, so under this bill we are asking to pay to all students \$60 a month. That is what the single veteran, I think, received during his educational studies in the university.

He speaks about a second child or a third child. It is very exceptional that you send three children from one family to university. However, there is no difference there. There is nothing about that. The argument would be just the same as saying that all children should receive \$40 a month pension.

The fact is that the first child—and previous committees thought that the first child should receive more than the second—receives \$40.

But the second child receives \$30, and the third child receives \$24. If we are prepared to change our whole pension system and pay them all the same, then they would all receive the same for educational grants. But I think that after careful study of this bill the committee will find the terms of the amounts recommended to be very generous, and that they are going to be very beneficial as far as the children are concerned.

The CHAIRMAN: Thank you very much, Mr. Minister, for these comments.

Mr. MONTGOMERY: As a matter of information: this suggested amount was laid down under section 25 of the Pensions Act as the original educational assistance. I take it that if that was put into effect, it would do away with applying to the pension board to determine whether this child was eligible for educational assistance. Am I right?

Mr. LALONDE: The answer to that is that under section 25 the pension commission makes awards to widows or orphans of pensioners who did die from a pensionable disability, and to pensioners who did die of causes other than from pensionable disability. We propose that where the pension commission makes an award under that section following death due to pensionable disability, the children should be eligible under the act.

But where the pension commission makes an award of pension on a compassionate basis, and the death was not connected with service, we suggest that the child does not come within the group intended to be covered by this act; the group that the minister has just referred to, those who died on service or as a result of their service; that is the distinction which is made in this amendment.

I might add, in respect to Mr. Thomas' question, that none of the groups who are included in the bill, except the group to which the minister has referred for peace time service,—is a group which did not come within the original intent of the act.

I think that the simple explanation would be that when this section was passed in 1953, it was drafted with a view to covering all these children. But unfortunately, to err is human, and some mistakes were made in the drafting, with the result that some children were left out when it was not intended to leave them out.

What we are trying to do now is to bring those children under the act as they should normally have been brought under it at the beginning.

Mr. MONTGOMERY: Thank you very much, but there is still further information I would like to have, and that is with respect to the Legion's suggestion that all children pensioned under section 25 be eligible.

Mr. BROOKS: Have you read section 25?

Mr. MONTGOMERY: Only as it is quoted in the brief "The commission may on special application"—in other words, if the Legion—

Mr. BROOKS: Your question is whether the soldier had died or not?

Mr. MONTGOMERY: No, no. My question is this: if the Legion's recommendation was accepted, there would be no necessity for the pension board, under section 25 to determine whether the applicant, the child, was eligible. In other words, if I understand section 25, the pension board decides whether the child is entitled to these benefits for educational purposes.

Mr. BROOKS: That is true of all children receiving education under the act, and that would apply to them just the same; there would be no exception there.

It is understood, whether it is mentioned or not. As a matter of fact, it is mentioned in the act. There are certain educational qualifications which they must have.

Mr. HERRIDGE: I presume, supposing the committee accepts this amendment, it is the practice to inquire from the pension board if a person is entitled under the law to receive the benefits, whatever be the act.

Mr. LALONDE: Eligibility under the Children of War Dead Act flows in every case from the decision of the pension commission.

Mr. MONTGOMERY: It would still continue to flow under the suggested recommendation of the Legion?

Mr. LALONDE: It would always flow from the decision of the pension commission because that is the only way you can determine who is pensionable and who is not; and then the department would apply the decision of the pension commission in accordance with the provisions of this act.

Mr. MONTGOMERY: Should the Legion's recommendation be adopted, every child that is pensionable under section 25 would be entitled to this assistance.

A pensioner might die of his disability and he might leave children; and he might have been worth plenty of money, sufficient to take care of the education of his children without their having to be assisted by the government.

Mr. HERRIDGE: He would not come under this clause.

Mr. LALONDE: I think what you are getting at is that there is no means test under the act.

Mr. MONTGOMERY: Yes.

Mr. LALONDE: There is not. So far it has not been government policy to include a means test under this act because in the same way that a pension is paid as of right, whether you are rich or poor, by the same token the children of the war dead should get these benefits whether they are rich or poor.

The benefit flows from the pension. So, would it be right to introduce a means test in something so closely connected with the pension scheme?

Mr. MONTGOMERY: I do not say whether it is right or wrong. I want to know if that is one of the tests.

Mr. LALONDE: There is no means test in the act now, and there is no suggestion that there should be a means test.

Mr. BROOKS: With reference to the question asked by Mr. Montgomery; section 25, as I understand it, was put into the act—and I remember it was discussed some years ago—it was put into the act, not for widows whose husbands had been rich or men who are rich, but for men who needed a pension and could not get it under any of the other sections.

Mr. HERRIDGE: On a compassionate basis?

Mr. LALONDE: Yes.

Mr. BROOKS: Yes, on a compassionate basis. The financial situation would be taken into consideration, so far as that is concerned. Therefore they would not be rich men.

Mr. HERRIDGE: You need not worry about that.

The CHAIRMAN: Mr. Burgess wishes to clarify that statement.

Mr. BURGESS: As the minister said, it would not be those who did not need it. I would emphasize the fact that it would seem inconceivable that the pension board would grant a pension to the dependents of someone who had been killed, if they did not need it. For those who do need it, we feel that all the children should receive the same assistance.

After all, there are not many of them. It involves very few. I might say that the Legion is proud to be asking for more, not for members of the Legion or not for veterans, but for the children of disability veterans.

There is one other point I might refer to while I am on my feet, and that is that this would seem to be a one-way street, in that the only children who

are benefitted under the present legislation are children who are the sons and daughters of pensioners; but not the sons and daughters of all pensioners are receiving assistance under the Pension Act.

The CHAIRMAN: Mr. Webster has a question.

Mr. WEBSTER: I was wondering if the department has any idea of what the increased cost would be. Can you give us any figures?

Mr. HERRIDGE: Were we not going to give that information when the sections are before the committee?

The CHAIRMAN: We will deal with those specific items when we come to the clauses.

Mr. CARTER: I was wondering about Mr. Mutch's statement which, I think, was in reply to a question of the interpretation of what Mr. Parliament said. After listening to what he said, I am wondering what the position would be with respect to a veteran who had disability which, under normal circumstances, would result in death. Let us say that eventually he would die of his disability, but it so happens that he is drowned or is run over by a motor-car. In other words, fate intervenes. What is the condition of his children? He does not die of his disability, but he would have died—

Mr. ORMISTON: If he had lived long enough?

Mr. BROOKS: That is what is called a hypothetical question in the House of Commons.

Mr. CARTER: Oh, I do not think it is a hypothetical question. It is a real point. Is the law interpreted according to the letter or according to the spirit in a case of that kind?

Mr. MUTCH: In regard to that question, the Pension Commission are bound by the coroner's certificate as to the cause of death. We have no power to project a man's disability into the unlimited future. If his death is untimely and caused by accident, we rule in accordance with the death certificate which is furnished to us by the coroner. We have no other choice.

The CHAIRMAN: Mr. Parliament has a reply to Mr. Lockyer's question.

Mr. PARLIAMENT: This act came into force in 1953. We have had only 157 graduates from universities and 151 under what might be called vocational training—and by that I mean agricultural training, nursing, and a few other secretarial courses. Sir, we have had a very, very limited experience.

We are getting good reports. If you want to have information about withdrawals, after they have entered, and the reasons for which they withdrew, I can give you those figures. The figures are as follows: 47 male, and 7 female have discontinued because their entitlement expired. You will find this figure somewhat higher than it may be in ordinary experience later on, because we did pick up a number of children who were almost to their 25th birthday, and that is the only reason the entitlement would have expired. Then, 43 men and 27 women discontinued for various reasons. These are voluntary withdrawals. I might say that marriage has had some effect on it.

Then, the failures—all those should be added to the graduates—would be 60 men and 16 females, giving a total of 150 males who have withdrawn and 50 females. That makes a total of 200, which in addition to the graduates I mentioned.

Mr. LOCKYER: I am glad to have that schedule on record, because it is interesting. It shows that this investment in the education of these children is very much worth while.

Mr. MATTHEWS: Mr. Chairman—

Mr. CHAIRMAN: I might say at this time that we welcome you, Mr. Matthews, to this committee.

Mr. MATTHEWS: Thank you very much.

The CHAIRMAN: I believe this is the first sitting you have been able to attend since you were appointed the other day.

Mr. MATTHEWS: Thank you, Mr. Chairman. These children who take the courses—are there any standards they have to live up to? I have in mind someone who might go in to take training and not apply himself. Is there anything in that, at all?

Mr. PARLIAMENT: They are followed up every year by our welfare officers in the district, and we have close contact with the universities themselves. Most of the universities have some kind of counselling service, and they are very happy to watch over them. But they must have their matriculation, or its equivalent.

Mr. BROOKS: They have to matriculate before they enter.

Mr. PARLIAMENT: Of course, in order to continue the allowance, the child must pass, and has an opportunity of writing a supplementary examination if he does not pass. If they fail in more than one supplementary examination the allowance is discontinued. We will give them a deferment, while they repeat that failed year, at their own expense.

Mr. MATTHEWS: I know a number of cases which occurred after World War I when the Civil reestablishment funds were given, where perhaps a six-month course was given. Some of them did not apply themselves; they just took the money and forgot all about it.

Mr. PARLIAMENT: Well, I can assure you, sir, that that does not go on now.

Mr. HERRIDGE: Just study the history of the veterans university education, and other benefits.

The CHAIRMAN: Before we have any further questions, I believe Mr. Mutch would like to clarify a question that was asked.

Mr. MUTCH: I have a slight correction in connection with an answer. I think I should have said in my earlier remarks, in connection with those cases I spoke about a few moments ago. Where the deceased pensioner was in receipt of a 50% pension, or more, the award of pension to dependents is made irrespective of whether his death was due to his pensionable disability or not. So those remarks do not apply to him. I just wished to be sure that I had made myself clear.

Mr. THOMAS: Do these educational benefits apply in the case of a nurse in training?

Mr. PARLIAMENT: Definitely; that is how most of the girls are trained. I could give a breakdown of the number of nurses, if you wanted that. These are only graduates; but of 151 vocational graduates or from what we call a vocational course—they still come under this Act—of the 151 who have completed training, there were 76 who have graduated as nurses.

Mr. MACRAE: What else is covered by "vocational"?

Mr. PARLIAMENT: So long as they have entrance to a course which requires matriculation or its equivalent. Let me give an example: the Ryerson Institute in Toronto have a radio course, and a few other courses, where you cannot enter unless you have your matriculation. They will not admit you into that course. I think the same is true of a vocational school in the Maritime provinces at Truro.

Mr. MACRAE: At Moncton, yes.

Mr. ROGERS: Is that a junior matriculation, or senior?

Mr. PARLIAMENT: A junior matriculation, or its equivalent. You will find that the department interprets broadly the equivalent.

The CHAIRMAN: Does that complete the general questioning, gentlemen? If so, we can proceed with the bill itself.

On clause 1.

Mr. HERRIDGE: Mr. Chairman, with respect to clause 1 and the amendment proposed by the Canadian Legion I just want to say this: first of all, I would like to know what would be the cost involved. I think the deputy minister said that he could give some estimate of the cost of implementing this proposed amendment.

Mr. LALONDE: As I understand it, Mr. Chairman, the amendment proposed by the Canadian Legion is that all those who receive a pension under section 25 of the Pension Act should be eligible under the Children of War Dead (Educational Assistance) Act.

Mr. HERRIDGE: Yes.

Mr. LALONDE: Perhaps that would include some people who receive a pension for death not due to service. The way the amendment in the Bill reads is:

a person on whose behalf a pension is being paid under section 25 of the Pension Act in respect of the death of his parent if the injury or disease or aggravation thereof resulting in the death of the parent was attributable to or was incurred during military service within the meaning of section 13 of the Pension Act.

This means that, in regard to those who receive a pension under section 25, and the parents' death was related to military service, the children will be eligible under the Children of War Dead (Educational Assistance) Act.

Mr. HERRIDGE: Yes, but the Canadian Legion amendment goes further than that, does it not?

Mr. LALONDE: That amendment proposes, I take it, to include children whose father died of other than service disabilities. That is the only explanation I can see for the legion amendment.

Mr. D. M. THOMPSON (*Director, Services Bureau, Dominion Command, Canadian Legion*): Mr. Chairman and gentlemen, Mr. Lalonde's interpretation of our proposed amendment is quite correct. The case of a man whose death is due to service would normally come under section 13 and would not be involved in a section 25 award.

Our point here is that for a child to be pensioned under section 25 the case must be thoroughly considered by the pensions commission. They must be satisfied that the case is one which is specially meritorious. They are given the authority under the Pension Act to authorize a pension under the Pension Act. This amendment proposed in Bill C-45 would extend, to some of the children who are pensioned under section 25, the opportunity to go on with higher education under the education assistance act, but would leave out some other children.

Our point is that all these children, in order to receive a pension, must be specially meritorious cases in the opinion of the commission. This is based on a further ruling by the commission as to whether or not death was due to service.

Normally those cases, as I say, would come under section 13 and not under section 25. I do not have the figures, Mr. Chairman, of the number of children pensionable under section 25. The pension officers may have those figures. I would suggest, though, that the number of children pensioned under section 25 of the Pension Act is very small.

It does seem to us that there is some differentiation in this regard. It says that they all must be meritorious cases. I can speak from experience, having made representations to this committee, and say that these cases are very

carefully considered by the pensions commission having regard to service and other considerations before an award is allowed. These cases are all very thoroughly considered before they are allowed payment under section 25.

Mr. Lalonde is quite correct when he suggested that all children pensioned under section 25 would be eligible for consideration under the education assistance act providing, of course, they meet the other qualifications of that act.

Mr. HERRIDGE: Mr. Chairman, I quite agree with the remarks of the witness, particularly after hearing the figures with regard to the cost last year, which was something less than \$400,000 and after hearing the minister suggest there was a possible 25 per cent or 30 per cent increase.

Mr. BROOKS: I am not objecting, but I think we should explain it, Mr. Herridge.

It is just now that the boys and girls of second war veterans are beginning to go to college. The second world war has been over for 12 or 13 years and it is just the past year or two that are involved. This year we have more students than we had last year, and last year more than the year before, and so on. There will be a tremendous increase. The small number that was mentioned here just gives an indication of the fact that there were some older men who took part in the second world war. However, the majority of the men were younger, and the number of students will increase very rapidly during the next five or six years.

Mr. HERRIDGE: Mr. Chairman, to continue my remarks, I would suggest that I am on very sound ground. I am not objecting to this amendment, I am just comparing what we are attempting to do with what is being asked by the Canadian Legion.

We spent enough money bringing Hungarian immigrants to this country in the last two years to administer this whole act under the present circumstances for a period of 20 years. We heard an announcement yesterday that there was another 1,100 Hungarian immigrants being brought in which will cost, according to the best guess, \$1 million. That amount of money would cover the expenses of administering this act for a number of years under the present circumstances.

In addition to that, the taxpayers of this country have paid the cost of a university education for a number of Hungarian students at the University of British Columbia including a living allowance and living quarters which were provided by the air force, and so on. I am not objecting to that, but I do say that if we can do that for the people who were on the other side in the second world war, we can do what is suggested by the Canadian Legion for the sons and daughters of those who fought for this country and for the things in which we believe.

Some hon. MEMBERS: Hear, hear.

Mr. ROGERS: Mr. Chairman, just what is our position? I take it that the minister has gone into this bill very carefully and that we want to get it through. With due respect to the amendments which are brought forward by the Legion, are we in a position to recommend that these amendments be put into the bill, or should we pass the bill and make a recommendation later?

The CHAIRMAN: We are faced with limitations in this committee.

Mr. ROGERS: I think it should be clarified.

The CHAIRMAN: I think it was clarified that we have no power to make amendments in this committee which would constitute an additional charge on the public; but we can make recommendations in our report back to the house.

Mr. ROGERS: Then should we not go on with the bill?

The CHAIRMAN: We want to make sure that everybody has an opportunity to present their views and to make sure that there is a thorough discussion of the bill clause by clause. We do not want to place any limitations at all on the discussion.

Mr. CARTER: Can the pension commission tell us how many are refused because they were not considered to be especially meritorious; how many were refused last year on that ground?

Mr. LALONDE: We estimate, Mr. Carter, that there are about 100 children involved in cases where a decision was made under section 25 instead of under section 13 and death was related to service.

Mr. CARTER: It says that the commission may, on special application, pick out certain special meritorious cases. How many do they select out of how many; how many were turned down and how many were granted?

Mr. MUTCH: There is no separate record kept. We have to consider approximately 82 to 114 entitlement cases each day. It fluctuates daily, five days a week. If you ask me what percentage of those are applications under section 25, offhand I cannot tell you. It might be possible to get it, but I doubt it because they are not classified as to the nature of the application. However, they come forward in a fairly constant proportion.

Mr. CARTER: I do not want to put you to any trouble, but out of a number of applications, according to this, the pension commission decides whether or not they are especially meritorious and are entitled to benefits and that some are not meritorious enough and you might not consider those.

Mr. MUTCH: First of all, need for decision under this section does not arise if the applicant is entitled under the entitlement section. If the applicant is unable to qualify under the terms of the act, then the commission has discretion under section 25 to consider whether or not the circumstances of this particular case merit an award and if an award is made the amount may not exceed the award which could have been made of right if such an award were possible under section 13.

Mr. CARTER: You received something like 114 or 115 applications of that kind each year?

Mr. MUTCH: No. I could not estimate how many offhand. We handle an average of nearly 100 new entitlement applications a day in the commission. What percentage are applications under section 25 I do not know; but I sign many of them, and I should think that they probably run three to five a week. Frankly, I am guessing, except that I have been doing it for five years and have a pretty fair idea.

Mr. CARTER: I did not hear you very clearly. Did you say there were something like thirty-five per cent?

Mr. MUTCH: No. I said that I believe they come in at the rate of about three to five cases a week.

Mr. LOCKYER: Mr. Chairman, I am sure that we all feel the same way. This bill seems to have the approval of representations made before and by the letter from the war amputees. I am sure we all feel we would like to broaden the application since we are going into an extension of the application. It is going to broaden out rather rapidly. I would suggest we pass this and since the minister knows his committee is very sympathetic to a further broadening of this bill, some amendments could be brought in later on which will meet the suggestions that have been made.

The CHAIRMAN: I think at this stage of our deliberations we should perhaps restrict our comments to questions and we will proceed along the line that you have indicated when we are considering our report back to parliament. Right now we should elicit as much information as possible from the officials as a basis for our discussion when considering our report.

Mr. BROOKS: I might say, Mr. Chairman, if I may, we have amended the act to include those who have eligibility where the parent died after the child

attained his twenty-first birthday; eligibility where the parent's death resulted from peace time service—I might say we have had some trouble with that; eligibility where pension is reduced because of compensation from another source; eligibility where the child is granted a compassionate pension and eligibility where death occurred during Department of Veterans Affairs treatment. All these provisions have been added to this act and it has been in force since 1953. We thought we had combed it pretty thoroughly.

Mr. LOCKYER: That is exactly what I am suggesting.

Mr. HERRIDGE: We are just asking the minister to go another step further to include those very few that would come under this provision.

Mr. LALONDE: If you do that, Mr. Herridge, you must depart from the original principle, of death related to service. Once you introduce a new principle in the act, the next step will be one that is far more reaching and may eventually mean that all children of veterans should be entitled to educational assistance.

Mr. HERRIDGE: In reply to the deputy minister, I would say during my experience in this committee over a period of thirteen years we have on numerous occasions departed from a former established principle.

Mr. LALONDE: Yes, but you should know the consequences.

Mr. ORMISTON: To what extent is a child's previous academic education taken into consideration when extending assistance?

Mr. PARLIAMENT: In accordance with the requirements of the act he must meet the matriculation standing or its equivalent when he is accepted into the university or any school for training. I think that is as far as we can go. He must have his matriculation or its equivalent if it is a requirement of the course.

Mr. ORMISTON: It would seem then that this assistance is only given more or less for higher education.

Mr. PARLIAMENT: I do not feel it can be interpreted that way because there are many vocational courses which require junior matriculation.

Mr. BROOKS: But all high school education is free anyway; it is when you strike the university or vocational level that you pay for it.

Mr. PARLIAMENT: I might say, if you take the bureau of statistics record of the eligible children, the percentage of children that go to university is about 5 per cent of the population and in the case of children of war dead, it is about 8 per cent. Now those actual cases of children we know who have received a pension under the Pension Act, 24.24 per cent are taking advantage of this act.

The CHAIRMAN: Are there any further discussions, gentlemen?

Clause 1 agreed to.

The CHAIRMAN: Is there any discussion on clause 2.

Mr. GARLAND: We have been close to this subject on two or three occasions earlier today and I wonder if there has been a projection made of what this would cost if these proposed amendments are to become legislation; that is the annual increased cost?

The CHAIRMAN: We will have that answer for you in a moment, Mr. Garland. In the meantime, if there are any further questions you may ask them now.

Mr. THOMAS: As I understand this section, it is to continue the assistance to students on the same basis after they pass their 21st birthday, as it did before their 21st birthday?

Mr. BROOKS: That is correct.

Mr. THOMAS: It is just an adjustment of assistance so that any discontinuance of pension stopping at the age of 21 will not interfere with their training.

Mr. BROOKS: That is right.

Mr. HERRIDGE: That is \$5 a month less than we pay to an Hungarian immigrant if we are maintaining him, or a child. I still take that stand. The figures are so small in relation to money expenditure in other directions that I cannot understand why we reject this proposal of the Canadian Legion for \$75 a month.

Mr. BROOKS: In reply to your question, Mr. Garland, this is being worked out now.

As I said before, the number of children who are taking advantage of it is increasing very rapidly. Next year the cost would be much lower than the following year and so on, because the children are getting older and becoming of university age now.

Mr. GARLAND: Yes, I recognize that point. But before this legislation was envisaged, there must have been a projection made as to what the increased cost would amount to.

Mr. LALONDE: The increase in cost on the basis of present enlistment—we cannot forecast accurately future enlistments, therefore we have to base our estimate on today's figures—it will be approximately \$100,000 a year, plus the cost for the group over 21, which it is not possible to estimate because we do not know how many there will be. At the moment they are not under the act.

If the amendment goes through, they will come to us to take advantage of this benefit, and only then will we know how many will be affected; so the answer is about \$100,000 a year, plus the cost of the first item of clause 1 of the bill.

Mr. PARLIAMENT: Mr. Garland asked if a projection had been made. We did make a projection of the number of students who would come under the act. In 1961 we figured there would be 1,160. Unfortunately we were wrong, because including July's figures, we passed that number the other day. It is 1,161 actually. That we have approved. So we are about two years ahead in our expenditures.

Mr. STEARNS: The amount of \$60 per month multiplied by 12 would come to \$720 a year which, I think, is a pretty far scholarship, today at any of our universities.

This amount will either pay for their tuition or their board. It will not pay for both, that is certain. But during the summer vacation—I know about the little university with which I have to do—any scholarship over \$500 a year is very very well received, and I understand that students are tickled to death to get them.

With all due respect to Mr. Herridge, I do not think we should go too far in this matter of scholarships.

Mr. HERRIDGE: My point is that we should go as far as we have gone in other directions.

Mr. BROOKS: Besides this so-called scholarship, we pay the fees up to \$500.

Mr. STEARNS: I have not even considered that. I think that the \$720 a year is a very very generous amount for a lot of these students.

Mr. THOMAS: It would not necessarily be \$720 a year. However, it is \$60 a month.

Mr. BROOKS: It would depend on the course that is taken.

Mr. LALONDE: Nursing is a 12 month affair; engineering is only for nine months each year.

Clause 2 agreed to.

On clause 3—additional conditions in certain cases.

The CHAIRMAN: Is there any comment on clause 3, or is clause 3 agreed to?

Clause 3 agreed to.

On clause 4—

Mr. HERRIDGE: With respect to clause 4, the Legion recommends—

That the act be amended so that the minister be given discretion to extend the benefits of this act to the children of disability pensioners in cases where the man's disability is a serious handicap in providing higher education for his children.

I thought the president of the Legion, when he presented this brief, gave very sound arguments in support of that amendment. I think it is a very reasonable suggestion because the minister is given discretion which means that his officials will investigate thoroughly any case to see if there is any serious handicap, and would recommend to him that consideration be given to including such children under this act. In view of what we can do for other people, then certainly we can do it for these. It is only peanuts, compared with the money we are willing to spend in other directions. We are dealing with the children of veterans of this country and, by George, they should get every consideration.

Mr. FANE: We would not be here if it were not for them.

Mr. THOMAS: I have a feeling that Mr. Herridge's argument does more credit to his heart than to his head.

Mr. HERRIDGE: Do you mean to say that we cannot afford this? Do you suggest—remember, I am a businessman, and I never suggest anything that is not sound from a business standpoint.

Mr. THOMAS: I am not suggesting that we cannot afford it, but there is the matter of equity that enters into it. We take all of the children, as has been pointed out, under certain categories. Now, if we break away from that and establish a new category, wherein we begin to take certain children under other categories, then we open up a whole new field.

Mr. HERRIDGE: Oh no.

Mr. THOMAS: That is the question I asked in the first place. Do these proposed amendments break new ground?

Mr. HERRIDGE: No.

Mr. THOMAS: Are we over-reaching the principles under which the legislation was first established? Are we trying to extend the scope of what it was originally intended the legislation should cover? If we are, then it is a matter of policy whether we make an increase or not. It is not primarily a matter of cost, as I see it.

If it is just a suggestion that we should extend the scope of the act, then that is a matter of principle that we should follow up and decide, regardless of cost. We must take cost into consideration, of course, but cost is not the primary factor. If you are breaking new ground for the sake of even a handful of students, we are still breaking new ground as a matter of principle, and we should make a decision.

Mr. HERRIDGE: We are asked to spend money in other directions, in the name of humanity. And the Legion, in the name of humanity, is asking that we adopt a principle with respect to the children of needy veterans, so far as

their educational assistance is concerned. What they are asking is that we apply humane principles to the children of needy veterans in this country, and the children of the war dead. Surely we can extend to them the same financial assistance that we can extend, on the same basic principles, in other directions. These children are entitled to the first consideration, so far as what we can do for them is concerned.

The CHAIRMAN: This has been an interesting discussion, gentlemen. I have allowed it to proceed thus far. However, as I have suggested, these are matters that will have to be thrashed out in a final recommendation.

Have you any further questions on clause 4?

Clause 4 agree to.

Preamble agreed to.

Title agreed to.

The CHAIRMAN: Shall the bill carry?

Some hon. MEMBERS: Carried.

(Agreed)

Mr. FORGIE: I think there might be a fair compromise on the situation which was discussed here today regarding this section of the act. I think we should wait, as members of the department have stated, to see what the result will be in connection with the number of children who will be taken in the next year. This matter can then come up again before the committee, because it is a standing committee. The matter can be thoroughly reviewed.

Mr. HERRIDGE: We have to make our report.

The CHAIRMAN: Yes. That is a very worth while comment, Mr. Forgie. We have a standing committee, and we can review this legislation. Now, shall we proceed from this stage?

Before we adjourn for lunch I would like to mention that we have two matters to deal with at some time in the future.

First of all, we must prepare our report on this bill for the House of Commons. Secondly, we must deal with the matter of the merchant navy representation.

What does the committee wish to do in this regard?

Mr. CARTER: Mr. Chairman, you mentioned earlier that the departmental officials were preparing a brief for the information of the members of this committee. I would like to ask to have included in that brief the comparative rates of pay that merchant seamen received, as compared with other members of the armed services during that same period, if that can be done without too much inconvenience.

I would also like to ask to have included in that brief the contactual basis which may be involved with respect to the merchant navy.

Mr. FORGIE: I would particularly like to know if there was any relationship between the Department of National Defence and the shipping companies, and whether this involved a cost plus contract. If the costs were paid by the government of Canada to the companies on a ten per cent basis, the wages paid to the seamen would therefore be included in that cost, and therefore payable by the government of Canada.

Mr. LALONDE: We could not include that information in our brief, Mr. Forgie, because I think the only people who would have access to that information are the officials of the Department of Transport.

Mr. FORGIE: I do feel that we should have that information available.

Mr. LALONDE: If members of this committee wish, I could contact the deputy minister of the Department of Transport and ask him to make a witness available.

Mr. FORGIE: I do believe that such a witness should appear before this committee.

The CHAIRMAN: It appears from this discussion that we will not be able to deal with the merchant navy subject today.

Do we have the approval of the committee to sit this afternoon?

Mr. HERRIDGE: Are you suggesting that we sit this afternoon to deal with our report on this bill?

The CHAIRMAN: Yes. We must consider our report in regard to this bill. If it is the general wish of the committee we will have a steering committee meeting around two o'clock in my office. Does that meet with the approval of this committee?

Some hon. MEMBERS: Agreed.

(Committee adjourned.)

HOUSE OF COMMONS

First Session—Twenty-fourth Parliament

1958

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 8

re: Submission by
Canadian Merchant Navy Veterans Association

THURSDAY, AUGUST 7, 1958



WITNESSES:

Mr. G. L. C. Johnson, Department of Transport; Mr. Lucien Lalonde, Deputy Minister, Department of Veterans Affairs; Mr. C. F. Black, Superintendent, Veterans Insurance; Mr. J. L. Melville, Chairman, Canadian Pension Commission.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1958

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.

Vice-Chairman: G. W. Montgomery, Esq.

and Messrs.

Batten,
Beech,
Benidickson,
Bigg,
Broome,
Cardin,
Carter,
Clancy,
Denis,
Fane,
Forgie,
Garland,
Herridge,

Houck,
Jung,
Kennedy,
Lennard,
Lockyer,
Macdonald (*Kings*),
MacEwan,
MacRae,
Matthews,
McIntosh,
McWilliam,
Orminston,
Parizeau,

Peters,
Regnier,
Roberge,
Robinson,
Rogers,
Speakman,
Stearns,
Stewart,
Thomas,
Webster,
Weichel,
Winkler—40.

Antoine Chassé,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

House of Commons, Room 118,

THURSDAY, August 7, 1958.

The Standing Committee on Veterans Affairs met at 10:00 o'clock a.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Bigg, Broome, Carter, Clancy, Dinsdale, Fane, Forgie, Herridge, Kennedy, Lockyer, Macdonald (*Kings*), McIntosh, Matthews, Montgomery, Ormiston, Parizeau, Regnier, Roberge, Robinson, Rogers, Speakman, Thomas, Weichel, Winkler.

In attendance: Captain G. L. C. Johnson, Assistant Chief, Nautical Division, Department of Transport, former Director of Merchant Seamen; Mr. J. L. Melville, Chairman, Canadian Pension Commission; Mr. Lucien Lalonde, Deputy Minister of the Department of Veterans Affairs; Mr. F. L. Barrow, Departmental Secretary; Mr. J. G. Bowland, Chief, Research and Statistics; Mr. C. F. Black, Superintendent of Veterans Insurance; Mr. F. J. G. Garneau, Chairman, War Veterans Allowance Board.

The Committee heard evidence on such matters as they relate to the submission of the Canadian Merchant Navy Veterans Association on August 1st, 1958.

Mr. Lalonde read a statement with respect to the eligibility of Merchant Seamen under veterans legislation. He was questioned thereon and so were Captain Johnson, Mr. Melville and Mr. Black.

The Chairman expressed his thanks to the Committee Members for their attendance and to the officials of the various Departments for their valuable assistance.

In turn, Mr. Ormiston expressed the Committee's appreciation of the able direction of the Chairman.

At 12:00 o'clock noon, on motion of Mr. Herridge, the Committee adjourned to the call of the Chair.

Antoine Chassé
Clerk of the Committee.

NOTE

As all of the Committee's Orders of Reference have been reported upon no recommendation on the above matters can be made to the House. However, the additional evidence heard is printed for information and further reference.

EVIDENCE

THURSDAY, August 7, 1958.

10:00 a.m.

The CHAIRMAN: Good morning, gentlemen. This meeting has been called, as you know, to obtain some further information on the merchant seamen problem. I think it was a week ago we had a brief which was presented by Mr. Heide, the Secretary-Treasurer of the Merchant Seamen Association. At that time we discovered there were not too many members of the committee familiar with this problem, which stretches back over a number of years. As a result, the steering committee decided that it would be helpful if we could have a session of this kind where we could obtain information from the officials of the Department of Veterans Affairs as well as from the Department of Transport. I believe you already have in your hands a memo that has been prepared providing background information. Has everyone received such a memo through the mail?

Mr. BIGG: No.

The CHAIRMAN: If not, we have extra copies that can be distributed and we could give our attention to that as our first item of business.

I would also like to introduce to you Captain G. L. C. Johnson, Assistant Chief, Nautical Division, Department of Transport. He is seated on my far right. He is the former director of the merchant seamen, so he has a broad grasp of this special problem. He will answer any questions that might arise from our consideration of the memorandum.

Now, gentlemen, what is your wish with reference to the memorandum; do you want to have it read or taken as read?

Mr. ROBERGE: I would suggest that it be read because I just received my copy this morning.

The CHAIRMAN: Is the committee agreed that we read the memorandum. Then on the basis of the information contained therein perhaps we could pursue an intelligent line of questioning?

Mr. HERRIDGE: I do not like that evidence of doubt in your mind.

The CHAIRMAN: Perhaps I should say a better informed line of discussion. I will revise my phraseology. Colonel Lalonde, the deputy minister, is in good voice this morning and he will be happy to read the memorandum.

Mr. LUCIEN LALONDE (*Deputy Minister, Department of Veterans Affairs*): Mr. Chairman and gentlemen, we prepared this memorandum from the information that we had on our own files in the Department of Veterans Affairs and, therefore, it contains only that information which was in our possession. The Department of Transport may have information that is not in here, and I am sure that Mr. Johnson will attempt to answer any questions about matters that are not included in the report. We will do our best to clarify any of the portions that do not appear to be too clear.

As far as the background of the problem is concerned, this is a review of events that have taken place since 1939; that is, since the problem arose.

Background

When World War II was declared in September 1939, the only federal legislation governing the employment of merchant seamen was the Canada Shipping Act which fixed certain responsibilities of the owners. At that time,

merchant seamen secured employment in Canadian ships directly with the shipping companies or through a shipping office where they signed an agreement regarding their terms of employment. However the majority of merchant seamen served on ships sailing under other flags than the Canadian flag and no control was exercised by Canada over their employment. It is understood that, in case of injury or disability while serving at sea, these merchant seamen were covered by the normal rules respecting owner's responsibility. These were the rules included in the shipping Act itself.

It is not possible to determine how many Canadian merchant seamen served on this basis, nor where or how long they served.

The first item of legislation affecting merchant seamen was an order in council passed in November, 1939 under the War Measures Act to authorize the payment of pensions to merchant seamen and salt-water fishermen who suffered disability or death as a result of enemy action or counter-action. This provision was incorporated in the Civilian War Pensions and Allowances Act approved by parliament in 1946.

Also in 1939 the compensation to seamen (war damage to effects) regulations were approved. This order in council determined the scale upon which compensation could be paid by the government to personnel of ships of Canadian registry and Canadian salt-water fishermen for the loss of their personal effects as a result of enemy action or counter-action.

You note this did not apply to Canadian ships only.

In November, 1939 an order in council was passed to authorize free medical treatment to persons employed in ships of Canadian registry and to Canadian salt-water fishermen who suffered disability as a result of enemy action or counter-action and who were not entitled to such treatment under the provisions of part V of the Canada Shipping Act.

These were the people who were not entitled to treatment as sick mariners under the shipping act. They could receive treatment if disabled through enemy action or counter-action.

In May, 1941 an order in council authorized the establishment of manning pools to provide adequate accommodation on shore in Canadian ports for merchant seamen where they would receive board, lodging and pay provided they, in return, agreed in writing to go to sea on any ship of their own nationality or on any ship to which they might be assigned, the expense in respect to which accommodation and services on behalf of other than Canadian merchant seamen to be a charge against their respective governments.

In June, 1941 an order in council was passed to authorize that compensation by way of detention allowance may be awarded to personnel of ships of Canadian registry and Canadian salt-water fishermen for loss occasioned by discontinuance in whole or in part of remuneration for employment of which they were theretofore in receipt, in consequence of their detention resulting from capture or internment in a foreign country, and that the payment of such detention allowance be made retroactive to September 10, 1939.

We understand that the detention allowance was equivalent to their pay and bonuses.

In May, 1942 an order in council provided that merchant seamen, disabled by enemy action and thus prevented from resuming their occupation, could be granted training for the purpose of re-establishing them in civilian life under conditions similar to those which had been available to a person who had been so disabled while serving in the naval, military or air forces of Canada. (It is to be noted that these provisions applied only to merchant seamen in receipt of a pension whereas the post discharge re-establishment order applied to all serving personnel. It dealt with training for members of the forces.)

In September, 1943 an order in council was passed to provide treatment in Canada for merchant seamen for non-pensionable disabilities incurred on service at sea for a period of 18 months if commenced within 12 months of termination of service.

In April, 1944 the merchant seamen war service bonus order was passed authorizing the payment of a bonus amounting to 10 per cent of the annual earnings of merchant seamen to encourage experienced officers and seamen to engage with the manning pools for the duration of the war or for 2 years, whichever was the lesser. The bonus was payable from the date of signing this agreement or, in the case of a man on the strength of a manning pool or serving on a foreign ship at the date the order in council came into effect and who immediately signed the agreement on discharge from the ship, from April 1, 1944.

In September, 1944 the Minister of Finance wrote to the Minister of Pensions and National Health with respect to an exemption from paying income tax for merchant seamen "It has always been felt that a line must be drawn somewhere between civilian and non-civilian taxpayers. We have applications from a great many classes of citizens whose callings have been rendered more arduous or more dangerous as a result of the war, and a concession to one civilian group always leads to a number of applications from other groups, who claim that they are just as much entitled to the concession as the group to which it was made. I can assure you that we approached the Merchant Seamen question with great sympathy last year and went as far as we thought that we would be justified in going in view of the immense and insuperable difficulties of drawing a line between those who are not actually enlisted in the armed forces."

In May 1945 the merchant seamen special bonus order was passed and in the preamble it is said: "That merchant seamen are nevertheless employed in a civilian capacity and receive remuneration determined by competitive conditions and in accordance with regulations generally applicable to civilian employment." "That while it is not considered justifiable, having regard to the terms of employment and remuneration of merchant seamen, to make available to them benefits on the scale provided members of the naval, military and air forces, it is deemed advisable and equitable, in consideration of the essential services rendered by them, involving hardships and risks in many respects comparable to these met with by members of the forces, to offer certain additional benefits to those who have served in dangerous waters and are prepared to serve for the duration of the war, if required."

This order in council had the effect of extending the payment of war service bonus to those who had served under certain conditions, as laid down by the war bonus, between September 1939 and April 1944. It made the payment of the war service bonus retroactive to the beginning of the war instead of effective the first of April, 1944.

This order also made eligible for veterans insurance merchant seamen who were eligible to receive a special bonus as if they were veterans for the purpose of the Veterans Insurance Act.

It is to be noted that in March 1945, approximately at the same time as the special bonus order was passed, Prime Minister Churchill, when talking about merchant seamen in the United Kingdom, made this statement in the House of Commons: "The government cannot justify the extension of such benefits (veterans' gratuities) in any form to classes who are employed under the recognized conditions for the industry or profession to which they belong and who receive an industrial or professional rate of pay."

The parliamentary committee on veterans affairs of 1945 received representations on behalf of merchant seamen in October and on behalf of Halifax pilots in November. It did not have time to study these representations and recommended that they be considered by a small interdepartmental committee.

This interdepartmental committee reported to the parliamentary committee on veterans affairs in March 1946 but was not asked to make specific recommendations.

They only gave information to the committee as we are doing now.

On 9 July 1946 when dealing with the granting of loans to assist veterans in establishing themselves in business or professionally, the parliamentary committee recommended "that assistance, similar to that recommended for veterans, also be made available to former members of the merchant marine." Presumably this separate recommendation was made because the committee did not feel at the time that merchant seamen should be recognized as veterans; they agreed, however, that some such benefit should be given to merchant seamen under appropriate legislation.

On July 18, 1946 the parliamentary committee dealt with the civilian war pensions and allowance bill—and that is the bill giving authority for payment of pensions to merchant seamen, amongst others—and on July 26, 1946 presented its final report to the house. With respect to merchant seamen, it made the following recommendation:

That income tax be remitted in respect of detention allowances payable to merchant seamen under the provisions of order in council P.C. 12/4209 dated 12 June 1941, as amended by P.C. 87/5204 dated 16 July 1941.

On 30 August 1946, P.C. 210/3663 remitted the income tax payable on the war risk bonus and cost of living earned in 1943 and subsequently of merchant seamen who were prisoners of the enemy.

In other words, the committee's recommendation was accepted by the government.

On 15 June 1948, Mr. A. J. Heide, secretary of the Canadian merchant navy veterans association, presented a brief to the parliamentary committee on veterans affairs. He did not make any specific request but asked that merchant seamen be given the same benefits as former members of the forces.

In its final report on 22 June 1948 the committee supported an amendment to the Veterans Insurance Act to include merchant seamen and recommended further: "That, with respect to merchant seamen who have not attained the age of thirty years, the scope of the vocational training now authorized by the Department of Transport be enlarged to provide training benefits through the Department of Labour similar to those now granted veterans."

On 29 December 1948 this recommendation was implemented by P.C. 5983 "The merchant seamen vocational training order". The Department of Veterans Affairs administered the order but the Department of Transport paid the expenditures involved in the training programme.

On 13 December 1949, P.C. 6227 amended the merchant seamen vocational training order to give the ministers discretion to extend the training benefits to seamen above thirty years of age, which was an extension of the committee's recommendation.

On 8 June 1954, Mr. Heide again presented to the parliamentary committee on veteran affairs a brief on behalf of the Canadian merchant navy veterans association. He asked for civil service preference to be extended to merchant seamen, for Veterans' Land Act benefits for all merchant seamen, for vocational training under the Veterans Rehabilitation Act, for merchant seamen to be recognized as veterans. In its report on 11 June 1954, the committee recommended that the government give sympathetic consideration to the request of the Canadian merchant navy veterans association and more specifically that those who served during World War II in dangerous waters receive the benefits of the Veterans' Land Act. This recommendation was never implemented.

That brings us up to the parliamentary committee of 1958. We have listed here in the report all the benefits which the merchant seamen have received as a result of all these negotiations and recommendations which I have now related. Do you wish me to read on as well?

The CHAIRMAN: What is the wish of the committee in that respect?

Mr. HERRIDGE: I think it would make the record complete and concise if it was included.

The CHAIRMAN: It would be included along with the memo; do you wish to have it read?

Mr. HERRIDGE: As long as it is included with the statement.

Mr. MONTGOMERY: It may answer some questions which otherwise would be asked.

The CHAIRMAN: It is summarizing what has already been brought forward.

Mr. HERRIDGE: It will be included at the conclusion of the memo.

Mr. FANE: You might as well read it and complete the whole thing.

Mr. LALONDE: This, gentlemen, then is the list of the benefits which have been granted to merchant seamen in one way or another.
Benefits granted to merchant seamen

- (a) Pensions were granted for death or disability suffered as a result of enemy action or counter-action. Payments are authorized under the Civilian War Pensions and Allowances Act and include payments to widows and dependents of seamen killed by enemy action or counter-action. The rates are the same as in the Pension Act with the scale of ranks approximating the one used in the Pension Act, for the armed forces.
- (b) If pensioner, treatment is provided for pensionable disability, including hospital allowances on the same basis as a veteran pensioner is entitled to free treatment for his pensionable disability.
- (c) If pensioner, the benefits of the Veterans Land Act are available without restriction.
- (d) Full benefits under the Reinstatement in Civil Employment Act were given.
- (e) Treatment was provided for non-pensionable disabilities incurred in service at sea for a period of 18 months.

—that is a maximum period of eighteen months—if commenced within twelve months of termination of service.

(f) Merchant seamen received two types of bonus:

1. a war service bonus of 10 per cent of total earnings was paid to any seamen who signed an agreement to join a manning pool and service at sea for a period of two years or for the duration of the war—and then later on,

2. a special bonus of 10 per cent of all earnings, excluding overtime, was paid for all service in dangerous waters between 10 September 1939 and 1 April 1944.

As I have explained to you, the war service bonus was effective only from the first of April, 1944.

(g) The benefits of the Veterans Insurance Act are available to seamen eligible for the war service bonus or the special bonus.

(h) The Unemployment Insurance Act was made applicable to merchant seamen to whom a war service bonus or a special bonus was payable.

- (i) Merchant seamen eligible for a war service bonus or a special bonus could receive vocational training if application was made before 1 January 1951 and training had commenced within 6 months after the approval of the application.
- (j) Any seamen eligible for the war service bonus or the special bonus was also eligible for railway fare from port of final discharge in Canada to the permanent residence of the seamen in Canada.
- (k) Compensation was paid for loss of effects and wages and payment of special bonus was continued if seaman was a prisoner held by the enemy.

The CHAIRMAN: I thank you.

Mr. JOHNSON: I wonder before you close if I might add to the statement of Colonel Lalonde in regard to (h) on the brief?

The CHAIRMAN: Yes.

Mr. JOHNSON: The Unemployment Insurance Act was made applicable to merchant seamen. I might add that it was made applicable to June 30, 1941. And for those services combined contributions were in the same way as they are for all veterans. If a seaman, at the end of the war, could show he had a certain number of days for which he received a war service bonus or the special bonus, that number of days was counted and he was allowed combined contributions for that the same as the veterans get, without the payment of anything on his own part. This really supplements what Colonel Lalonde said.

Mr. LALONDE: In case some of the members feel like doing some research in regard to this brief, I think you will find that some of the orders in council which I have mentioned in the memorandum have since been superseded either by an act or another order in council. But we only cited the first orders in council to show you when the principles first came into effect. So in some cases these are not effective any more; but it showed the date when the government approved that particular principle or benefit.

Mr. MONTGOMERY: But the benefits of most of them are still in effect, are they not?

Mr. LALONDE: All the benefits I have mentioned have been or are in effect. For instance, the unemployment insurance, I imagine, is not effective now; the vocational training is probably non-effective at this stage but they are still in the regulations.

The CHAIRMAN: Before we get into a general discussion I presume it is your wish to have the brief printed as an appendix.

Mr. HERRIDGE: Is that necessary when it is being read?

The CHAIRMAN: Yes, that is right; it will be in the record. The session is now open for general questioning.

Mr. SPEAKMAN: Mr. Chairman, I would like to mention two points, if I may. Firstly, Mr. Heide's brief asks that the civil service preference be extended to merchant seamen. I think personally this is a very reasonable request due to the fact that it is now many years after the end of the war. There are many people applying for and being accepted into the civil service who are no longer veterans. In the main, our veterans are now pretty well established, so that the civil service preference could be extended and it would not do any harm or exclude any veterans.

I would like to hear a comment from the deputy minister on that matter.

Mr. LALONDE: Well I cannot give you any opinion on the merits.

Mr. SPEAKMAN: I would just like to have a comment from you.

Mr. LALONDE: Could I point out to you, first of all, that the civil service preference only applies on initial entry into the civil service. After that it does not apply any more. It applies on this basis: those who receive a pension, and then those who have overseas service.

If you were to apply the civil service preference to merchant seamen would it be possible to apply it on this basis in view of the fact, as I have related, there was a period of two years when it would be very difficult to determine whether a merchant seaman did serve in dangerous waters or not, which would be the equivalent of overseas service. I also doubt that it would be desirable to grant civil service preference to merchant seamen who, let us say, served at the beginning of the war under conditions where there would be very little record, and not grant it to, let us say, an air force instructor who remained in Canada during the war. You might in the application of this benefit give to a merchant seaman preference over the air force instructor in cases where it would be very difficult to establish what kind of service a merchant seaman did have.

The fact that the merchant navy does not have clear-cut early records, such as the armed forces have, creates a very great difficulty, in my opinion.

Mr. SPEAKMAN: I agree with your opinion, Mr. Lalonde, but at the same time remember that now there are many people going into the employ of the civil service to whom the conditions of veterans preference do not apply, for the simple reason that there are not the applications coming from veterans as there have been. They have come in decreasing numbers over the past ten years.

Mr. LALONDE: That is correct.

Mr. SPEAKMAN: So I think, therefore, this committee could consider, and I think perhaps this government could consider, extending the provision of veterans preference to those people, because we know they did serve, and we know a merchant seaman at sea during the war was in danger. As to how you classify "dangerous waters", I am unaware. They performed a magnificent service in maintaining our armed forces away from home and certainly in maintaining our war effort and in supplying Canada itself with the necessities of war where required. So I do not think we should be too sticky about records. They served in the merchant marine, and if we can establish that I think perhaps where, as I say, we are not excluding actual members of the armed forces by giving it to members of the merchant navy—I think we could go that far. I can see no harm in that.

Mr. LALONDE: Are you suggesting, Mr. Speakman, that, for those who served only in Canada, a veterans preference would have to be extended to give them preference over merchant seamen.

Mr. SPEAKMAN: How do you mean, "those who served"—armed forces personnel?

Mr. LALONDE: Yes.

Mr. SPEAKMAN: They have a veterans preference, have they not?

Mr. LALONDE: Not if they served in Canada only.

Mr. SPEAKMAN: All other things being equal, I would suggest that. I feel that, as I say, these people did render a real service to their country in time of war. I would like to go a little further.

Mr. HERRIDGE: May I interject at this point, so that there will not be any misunderstanding on the part of anyone reading the record. The deputy minister did not express an opinion. He gave an illustration of two aspects of the situation.

Mr. LALONDE: Yes. I pointed to two difficulties. I feel it is up to this committee to decide whether or not those are serious difficulties.

Mr. CARTER: Mr. Chairman, could we discuss the principle first and not worry about the details of the administration.

Mr. SPEAKMAN: That is what I am trying to establish, the principle.

The CHAIRMAN: Do you not think that the details are important in establishing the principle?

Mr. CARTER: No. The details only say that because you cannot give to one you should not give to the other. I say we should give it to those who can establish a claim if we agree on the principle.

Mr. ROGERS: Is it a very serious matter right now? How long has the war been over.

An hon. MEMBER: Thirteen years.

Mr. ROGERS: I do not think it is too serious.

Mr. BIGG: Why not just say, having given the veterans their preference, that the preference should be given to the merchant seamen; just give them the next grade. I do not think you would ever thresh out the question of whether a man who served on the Great Lakes is entitled to more preference than certain grades of soldiers or airmen. Why not say that they should be given the preference in another category?

Mr. McINTOSH: I would like to know if the merchant seamen's wages were comparable to the wages of the armed services personnel?

Mr. JOHNSON: Mr. Chairman, there are so many variations in the scales of pay.

Mr. McINTOSH: I would like just a broad statement. Do they get, for instance, more than \$1.10 a day?

Mr. JOHNSON: It is rather difficult to tie it in because the army and navy have so many allowances which a merchant seaman did not get. I have a statement which will give you some idea. In 1940 the pay of an able seaman in the navy was \$55.50 a month, plus allowances; in 1940 the merchant seaman received \$52.50, plus a war risk bonus of \$13.12, which gave him a total of \$65.62 per month. I might say that this war risk bonus was a bonus paid by the ship owner to the seamen in addition to their wages for service in dangerous waters, and dangerous waters were waters designated by the navy as submarine infested waters; so that the merchant seamen received basic pay, which was the rate determined by collective bargaining and approved by the war labour board, and then the ship owner paid him a war risk bonus which, in 1940, was \$13.12.

Then we go on to 1946: the able seaman in the navy received \$61 a month plus a subsistence allowance of \$45 a month. The merchant seaman in the meantime had this pay raised, in 1944, to \$89.93 basic, plus \$44.50 war risk bonus, which gave him a total of \$134.43 per month. I might say that that is clear money because, in addition to that a merchant seaman receives full board and lodging on board ship and if he reverted from the ship to a manning pool he received the same conditions at the manning pool and was given his keep.

I mentioned earlier that the navy in 1946 received \$61 a month. In 1946 the merchant seaman received \$170 a month. At that time the war risk bonus had been incorporated into the basic structure; so that he received \$170 a month.

Those are the comparative rates. However, the army rates are so complicated, with the different groups and the various allowances for those who have children, and the other allowances, that it is hard to make a comparison.

Mr. CARTER: On that one point, I think I can say that we do not want to get into too much detail. But, could you not give us the scale or the rates that the naval man would get for his children and his wife if were married.

Then we could work it out for ourselves. Most of the merchant seamen were married men with children also. In respect of the person who served in the navy while you gave us his basic pay, you did not give us his total income which would vary. Let us have what he would get for his wife, if married, and also the amount for each child.

Mr. JOHNSON: At the moment I am not sure that information is available. We would have to dig it out from the naval records. We could obtain it for you.

The CHAIRMAN: This information is not available at the moment.

Mr. SPEAKMAN: I might be able to throw some light on this. My wife received, as her pay if you like without any allotment from me, for herself and four children \$89 a month in 1940.

Mr. LALONDE: The dependent's allowance paid in the army in 1940 was \$35 a month.

Mr. SPEAKMAN: For the wife?

Mr. LALONDE: Yes.

Mr. SPEAKMAN: But I had four children.

Mr. LALONDE: It was \$12 a month for the first and the second child.

Mr. SPEAKMAN: It came to \$89. I think that probably the rate in respect of naval personnel would be comparable.

Mr. JOHNSON: I would imagine it would be comparable.

The CHAIRMAN: On this point have we any further comments?

Mr. MCINTOSH: I wanted to see whether or not the wages were close together. My second point is: are there two different classifications of merchant seamen? I refer to the first paragraph in this memorandum where it says: "However the majority of merchant seamen served on ships sailing under other flags..." Then down at the sixth paragraph you say: "...agreed in writing to go to sea on any ship of their own nationality or on any ship to which they might be assigned..." What percentage of the Canadian merchant seamen came in that category; or would it be easier to say what percentage of the merchant seamen did not serve in ships which were Canadian ships.

Mr. LALONDE: Are you speaking of before or after the manning pool?

Mr. MCINTOSH: After the manning pool. Were there a certain percentage who did not go to the manning pool, or did the majority go.

Mr. JOHNSON: It might help the committee a little if I say that at the beginning of the war there were approximately 39 ships in the Canadian ocean-going fleet. There were a considerable number of seamen in the country and in order to get a livelihood a lot of the seamen had to serve in foreign ships, particularly American and others. There is no record in the department as to how many seamen actually served on foreign ships and how many on Canadian ships.

When the manning pools were established in 1941 then we tried to bring all merchant seamen into the manning pools. As a matter of fact, the arrangement was such that unless they went to sea they were liable for military service. A lot of them who were seamen or had a seafaring background went into the manning pools. We tried to control them, and to assist them to remain in Canada, by the labour exit permits. But there is still no record as to how many Canadian seamen left for the very high wages which prevailed in the United States ships. The United States rates were very, very high and that attracted a considerable number of merchant seamen to serve in United States ships. It is these merchant seamen who caused a lot of trouble, since after they returned to Canada after the war they seemed to feel they were entitled to the benefits which the merchant seaman received who had been through the manning pool.

Mr. McINTOSH: Does your brief cover these men who served at the high wages?

Mr. JOHNSON: I did not quite get that.

Mr. McINTOSH: Does your brief cover all Canadian merchant seamen?

Mr. JOHNSON: Yes.

Mr. McINTOSH: Including those who served for the high wages on United States ships.

Mr. JOHNSON: Are you referring to the wage scale?

Mr. McINTOSH: I am speaking generally.

Mr. JOHNSON: No. The benefits only concern the seamen who actually were appointed to ships through the medium of the manning pool and who signed agreements.

Mr. McINTOSH: You have records of those?

Mr. JOHNSON: Yes.

The benefits only concern the seamen who actually were appointed to ships through the medium of the manning pool, and who signed an agreement.

Mr. SPEAKMAN: These people did not sign the manning pool agreement who went on American ships. Is that correct? Therefore, we are not discussing them at all. We are discussing only the people who signed these manning pool agreements.

Mr. JOHNSON: Excepting that I think certain merchant seamen on allied ships were eligible for the pensions. We would have records of it in that case.

Mr. SPEAKMAN: Do we have records of those people, as we do of the people from the manning pool?

Mr. LALONDE: The chairman of the pension commission will explain that some of these people were actually covered.

Mr. MELVILLE: The provisions for merchant seamen and salt water fishermen are contained in the Civilian War Pensions and Allowances Act of 1946. That act embodied the original order in council of 1939 with subsequent amendments.

In that statute provision is made for pensions for disability or death for two groups; one, persons who while serving upon any Canadian ship suffered disability or death; and two, Canadian nationals who served upon any certified non-Canadian ship and who suffered disability or death.

Perhaps I might place some figures on the record which may be helpful to members of your committee.

The CHAIRMAN: That would be quite in order, Mr. Melville.

Mr. MELVILLE: Pensions are awarded under the Civilian War Pensions Allowance Act for disability and death when such arose out of any action or counteraction against the enemy.

Counteraction against the enemy was broadened to include extraordinary marine hazards occasioned by war.

An explanation of that might mention blackouts, ships running in blackouts, if there were extraordinary hazards, where a man may fall down a hatchway, something which he would not have done if the ship had been running under normal conditions; or an extraordinary marine hazard such as running in darkness, or when the ventilation was not good, in which case a man might contract tuberculosis from another on account of inadequate ventilation and closer contact.

The actual number of awards in payment as of June 30, 1958 for disability—these are Canadian—show 61 awards with an annual liability of \$45,458; with 330 dependent awards, with an annual liability of \$300,274; making a total of 391 with an annual liability of \$345,732.

For Newfoundland the figures are quoted separately because Newfoundland came into union with Canada on April 1, 1949.

There are 25 awards for disability with an annual liability of \$15,011; with 86 dependent awards, with an annual liability of \$81,550, making a total of 111, with an annual liability of \$96,561.

So we have, all told, 86 disability awards, and 416 dependent awards, with a total annual liability of \$442,293.

The CHAIRMAN: Thank you, Brig. Melville.

Mr. LOCKYER: I would like to make an observation: when it was mentioned that the American wages were very high, I was going to say that conversely ours were very low.

Another thing I have in mind has been partly answered by Brig. Melville. Does that give us the broad base of the beneficiaries of merchant seamen through the series of additions to benefits that we have here?

Mr. HERRIDGE: Just those that are on pension.

Mr. MELVILLE: That is right, just those who are on pension.

Mr. LOCKYER: Have we any figures to show the total beneficiaries under the series of orders in council and under the discretionary powers of the minister? How many have benefited under these acts?

Mr. JOHNSON: We could get the figures. I do not think we have them broken down specifically in our department, but we could get them from the records.

The CHAIRMAN: There are representatives of various branches of the Department of Veterans Affairs here today. I think we might hear some of these officials; for example, we have Mr. Black of the insurance branch.

Mr. LOCKYER: Would you happen to know how widespread the benefits have been to these men who have served and who have already been "okayed?"

The CHAIRMAN: That would be useful information, I think.

Mr. LALONDE: Yes, but it is not easy to find.

Mr. JOHNSON: I could obtain that information for you.

Mr. LOCKYER: I have every sympathy with these men but it is just awfully hard to come to a conclusion without knowing what we have already done, and how far we have gone.

The CHAIRMAN: The summary which was read would show that.

Mr. HERRIDGE: I assume that some cases would take a lot of digging up in order to get the figures.

The CHAIRMAN: It would mean a major research project.

Mr. HERRIDGE: Are we not more concerned to know about the principle mentioned by Mr. Speakman rather than whether we should extend further benefits to merchant seamen of a certain class? What we have received is all to the good, but I do not think it would assist us very much in making a decision, just to know that there were 24 in one group or 28 in another group and so on.

Mr. ORMISTON: We have been discussing points of difference between rates of pay. I assume there were quite a few Canadians who served in the British merchant marine who were probably getting lower rates of pay than those who served in the Canadian merchant marine.

Mr. JOHNSON: Canadian seamen who served in the British merchant marine under the Essential Work Order were entitled to the same benefits as Canadian seamen. They were paid exactly the same benefits.

If they could prove that they were discharged from the United Kingdom manning pool under the essential work order, we would give them full benefits in Canada provided they were domiciled in Canada as of September 30, 1939, their rates of pay were less, but otherwise they were eligible for benefits from the United Kingdom which in some cases were a little better than ours, so I do not think they lost out.

Mr. CLANCY: According to this brief, 10 per cent of the service pensions was paid to people who signed up from the manning pools, and there was a substantial bonus of 10 per cent paid on top of that?

Mr. LALONDE: No; it just covers the previous period.

Mr. JOHNSON: The seamen who after April 1, 1944 joined the manning pool were invited to sign a two-year agreement.

There were two agreements. He could sign an agreement which would still give him coverage for his employment as a seaman, or he could obligate himself by signing a two-year agreement which required him to serve for two years or for the duration of the war, whichever was the lesser period.

The seaman who signed the two-year agreement after April 1, 1944, could claim the retroactive bonus for the period of his service or from the beginning of the war up to April, if he signed this two-year agreement—he was entitled to it; in other words, in 1944 he could sign an agreement which gave him the benefit or the privilege of getting the bonus from the beginning of the war right up to the end of the war, or from the period when he had begun to serve.

The CHAIRMAN: Mr. Lockyer had a question about benefits being extended. Then we branched out into other matters. How far can we go in giving that information?

Mr. JOHNSON: The only comparable table I have is contained in the second report of the Canadian Maritime Commission for June, 1949, which shows a comparison of the estimated daily operating costs for 10,000 ton ships.

In that table the wages paid in the United States were \$392.66. At that time in Canada, it was \$308.30.

Unfortunately it does not say what rank this applied to. Oh, I have it broken down here.

Taking an able seaman in the United States, it is \$226 as against \$170 in Canada. So the American rate was higher.

The other countries were lower. Canada was the second highest.

The CHAIRMAN: Another question was asked by Mr. Ormiston.

Mr. JOHNSON: In addition to this basic pay paid by the United States, there were considerable bonuses paid which were called area bonuses. There was a bonus given for a ship in certain dangerous areas. There was a bonus paid if they were bombed, or if there was a suspicion of being bombed. There were different bonuses; some of them were very high, particularly during the Korean war.

The CHAIRMAN: Coming back to the other part of your question, Mr. Lockyer, how far do you want to proceed with the information on benefits extended under this other measure?

Mr. LALONDE: Brig. Melville has given you the number of awards of pension. That accounts for "A". But we could not give you, or attempt to give you the number of treatment days involved, because a merchant seaman suffering from a pensionable disability might have come into hospital ten to fifteen times since 1941.

The number of pensioners under the Veterans' Land Act is available. I do not know exactly how many merchant seamen who are pensioners have been established under the Veterans' Land Act. But I remember reading a report about it. I would have to trust to my memory when I say it was under 100 who were established under that act.

Mr. SPEAKMAN: I knew of none in my service with the R.C.A.F. in Alberta.

Mr. LALONDE: With respect to reinstatement to civilian employment, we have nothing precisely for you because it was arranged directly with their former employers.

As to treatment for non-pensionable disability, the same thing applies. They came into hospital and if eligible they were treated. But that has expired now.

As to veterans insurance, I am told that we have issued 76 policies to merchant seamen who come under the act.

Mr. LOCKYER: Would not those figures be extremely low?

Mr. LALONDE: Compared to the number who received special war service bonus, yes. I would say that it indicates a lack of interest because there would have been, in my estimation, at least 15,000 who received the war service bonus, yet only 76 took out insurance.

Mr. CARTER: I think that probably lack of interest was not the real explanation. I think it was lack of information, and that the merchant navy veterans did not know much about it.

Mr. LALONDE: That is possible.

As to vocational training, we approved 696 applications, but only 521 reported for training and were trained. 175 never reported to us. As to the payment of railway fares, I have no record of that.

As to compensation for loss of effects and wages, I do not know how much was paid, or to how many seamen.

Mr. JOHNSON: I could get that for you.

Mr. LOCKYER: How far did we go with respect to educational benefits?

Mr. LALONDE: It was for vocational training only. This was the new order in council which I cited in my memorandum. It was administered by the Department of Veterans Affairs on behalf of the Department of Transport.

Mr. LOCKYER: What I am trying to establish is how well have merchant seamen taken advantage of what we have already offered them?

Mr. LALONDE: The figures I have given to you would indicate it, and give you an idea. But what the reason would be, is something else again.

Mr. SPEAKMAN: Might I go further and ask what would be the principle now?

The CHAIRMAN: You want to get back to the veteran's preference?

Mr. SPEAKMAN: Yes, and to the matter of principle.

The CHAIRMAN: What principle is it that you are actually trying to establish?

Mr. SPEAKMAN: I raised the question of veteran's preference with respect to employment in the civil service. Now I want to go further and raise the question of benefits under the Veterans Land Act.

The CHAIRMAN: You are trying to establish the principle of equating merchant seamen with those who have veterans service? You are trying to establish the principle of equating the merchant marine services with the veterans services?

Mr. SPEAKMAN: No. I am trying to extend this principle to the merchant marine.

The CHAIRMAN: I mean: equating or making the merchant marine service equivalent with, or equal to the veterans service. Is that not your principle?

Mr. SPEAKMAN: In a way.

The CHAIRMAN: Now, Mr. Bigg has a general question.

Mr. BIGG: I would like to know first of all just who these people are we are trying to help, and just how far the categories are going to be extended.

Will it just be to those people who served from 1939 to 1945 or to the merchant seamen in general, or what?

Personally I am very much against saying that anybody is a veteran who is not a veteran.

If it is a question of helping the category of merchant seamen, then there should be definite legislation to help them as merchant seamen, but not as veterans.

They are not veterans and they never will be. I think it is dangerous to allow the camel to put his head into the tent.

There are other people who might want it as well, such as fire fighters, nurses, aircraft workers, and certain people in foreign countries.

I am sympathetic towards merchant seamen but I wonder if they are veterans or whether they should be considered as such.

Mr. BROOME: I think this has a bearing on one of the arguments used against merchant seamen. There was stipulated a high rate of pay. The total paid to the seaman would classify him as a relatively highly skilled man.

I was wondering how the rate of pay as listed in the Maritime Commission report would compare, let us say, with the wages, including pay and allowances, of a sergeant in the army and also including the pay and allowances of the merchant seaman? In other words, did the sergeant get a very much higher rate of pay? How about it, if you include the allowances that the sergeant would get?

Mr. MACDONALD (*Kings*): I do not think it is fair to compare the pay of an army sergeant with that of a merchant seaman.

The CHAIRMAN: I remind the committee that we are gathered this morning essentially to receive information on the problem, not necessarily to establish a policy on it.

I think we are all giving our theories as to what the policy should be, but I feel we should confine our questions at this time towards eliciting information from the officials who are here before us. I think that was the essential purpose of calling this meeting.

We lacked certain information and the officials offered to give us assistance and to provide that information. So if we might pursue that line of discussion, I think it would be more helpful.

The witnesses are here to be cross-examined.

Mr. WINKLER: My point concerns the last paragraph on page three of the statement where it says "—the committee recommended that the government give sympathetic consideration to the request of the Canadian Merchant Navy Veterans Association—" Do they still stand as they are compiled here?

The CHAIRMAN: Did you not receive a copy of the brief?

Mr. WRINKLER: Yes.

The CHAIRMAN: It outlined them. Mr. Heide mentioned certain requests in the brief.

Mr. WINKLER: Very well, thank you.

Mr. MACDONALD (*Kings*): Speaking of the broad, special, general principle of the recognition of navy personnel in the same category as veterans, which I believe is asked for throughout the brief—with all due respect to those who are advocating such a policy, I think it is not something which we should be asking for.

I do not think that the matter of a comparison of rates of pay between the merchant seaman and that of a service man is of very great importance.

I think it is generally admitted that a merchant seaman receives perhaps a little more. But the essential point is this: that he did not enlist for the same type of service.

I do not think that the people of Canada, in general, feel that service personnel should be put in the same category as merchant navy personnel, or that merchant navy personnel should be put in the same category as service personnel.

I know, in a general way, from broad experience with veterans in both the provincial as well as the national field, that there has been a considerable resistance to this policy, and this past government and no other government has ever agreed to that principle. I think if we stop to consider the fact of recruiting, in case we had another war—if people knew they could go into the merchant navy or other such groups which are not essentially made up of service personnel, then I think it would be detrimental.

The CHAIRMAN: Now I think, gentlemen, we should get back to asking questions in order to obtain information which would be more helpful. As you have indicated, Mr. Macdonald, the tenor of the memorandum from the department has indicated that previous committees have resisted establishing this principle, because of the obvious complicating factors. We are gathered together this morning to acquaint ourselves with the background and nature of the problem. On the basis of that information we can decide at some future date whether any changes in the established principle should be made.

Mr. CLANCY: That is the point I wanted to ask about—records of merchant seamen. Is it right to assume that the only accurate records are those that were set up after the manning pools were formed?

Mr. JOHNSON: Oh no. We have records of merchant seamen, not only seamen who passed through a manning pool, but all who served. We have those records of seamen in the central registry from 1937 in the form of a card index. Prior to 1937 the records were mostly maintained with individual shipping masters across Canada. They are still available.

Mr. CLANCY: Therefore, if any man served at sea, he could prove his service at sea by going to the central registry.

Mr. JOHNSON: Yes.

Mr. MELVILLE: I would like to say when the commission receives a claim we make application to the Department of Transport for the record and we receive a complete record showing that seaman and his service on any number of ships and the term of his voyage. These records are kept in excellent shape.

Mr. CLANCY: There is actually a record where you can say that man definitely served so many trips?

Mr. JOHNSON: There is a complete record of his service. However, it would be difficult for us in every case to say where he served. The records are taken from the articles of agreement that are signed between the master and the crew when the seaman joins his ship, and the terms of the voyage or the description of the voyage are usually given in very broad terms. However, the ship may go into many other ports other than those contained in the record. It is not always possible for us to say where he served, excepting that he did serve.

I am referring, of course, only to Canadian ships. If we want records in regard to a Canadian seaman who served on a United Kingdom ship, then we have to apply to the Registrar General of Shipping in Cardiff, Wales. And if a seaman served on other than a British ship, I am afraid we have no record.

It is impossible for us to obtain a record if he has been on foreign ships such as Norwegian, Panamanian and Greek ships; we do not have that record, and particularly in the case of Panamanian ships we have been unable to obtain it at any time. In many cases ships have been lost at sea; and, as many factors enter into it, we have not been able to get records in those particular cases. But as far as Canadian seamen are concerned, where they are on Canadian or British ships, we can obtain that record. We have a complete record.

Mr. CARTER: Mr. Chairman, you allowed two comments on principle regarding merchant navy and veterans. Did you rule further comments out of order? I ask this question because I would like to reply to the two comments already made.

The CHAIRMAN: I did not rule it out of order, but I reminded the committee that our purpose is to gather information on the problem and not to make statements, because they would be premature statements. Obviously, we do not have the background of information to make any statements at this stage, and, in any case, statements of that kind are usually made in camera when we are discussing broad principles.

Mr. FANE: Mr. Chairman, I would like to establish whether these benefits that are requested now are for the seamen who served in the last war or does it refer to those who may be serving during the next war? It is thirteen years since the war ended. How many of them are going to come in under benefits like this? How many of them want to go farming and come in under the benefits of the Veterans Land Act. Is there any vocational training in effect now? I am sure there is nothing against their receiving preference in joining the civil service after the fighting men of the last war. How could there be any difficulty about that? These are the points which I would like to establish. Is it for the last time or the next time? Is it in order to get in on the ground floor for the next time?

The CHAIRMAN: We hope there is not going to be a next time.

Mr. FANE: I do not think we should operate on that basis. It is true that some of these benefits have expired for servicemen generally and that leads to the principle that these benefits should have been established long ago.

The CHAIRMAN: Yes.

Mr. JOHNSON: I was going to say that all these benefits were made or most of them were granted under the War Measures Act which, of course, has expired. There is another thing which would be most difficult—in fact, I think it would be impossible—for any official in the Department of Transport to authenticate service for all merchant seamen at this late date. I do not think we could produce the records which would be necessary to make the benefits retroactive.

Mr. LOCKYER: May I remind Mr. Fane that in thinking about the next war we probably will be talking about space ships.

The CHAIRMAN: We will keep our feet on the ground at the moment.

Mr. LALONDE: I wonder if I have left the wrong impression with the members of the committee. I say this because of the fact that since our department prepared the memorandum which is now before you, you may have drawn the inference that our department put forward all the submissions in the orders in council which are recited in the memorandum. We did not. They were submitted to cabinet by the Minister of Transport and not by the Minister of Veterans Affairs. I wish to make that point clear.

Mr. BIGG: I think this matter is in the wrong committee; that is my point. I do not know how this ever got into a veterans committee. The fact the word

“veteran” is used in the brief does not necessarily mean it is a veterans affairs matter. I do not think they ever will be veterans and I for one do not agree they ever will be veterans.

Mr. CARTER: As questions in respect of this matter have been asked so many times, I think it is time somebody dealt with it, because I would like to say a word on it. It has been said it should not be in this committee at all.

Mr. BIGG: That is my own personal opinion.

Mr. CARTER: Mr. Chairman, are you going to allow me to proceed?

The CHAIRMAN: All right, Mr. Carter, let us hear your comment.

Mr. CARTER: I do not think we are wandering astray because we have allowed certain benefits to certain people who gave certain service during the war. We have given pensions and war veterans allowances, insurance benefits and land benefits—all sorts of benefits; now, we did not give those benefits to the people in the navy, army or air force because they put on a uniform, and we did not regard them as veterans because they had a uniform on.

Mr. BIGG: Well, I do.

Mr. CARTER: I do not. I think that is the fundamental difference we should clear up. The fact he sticks on a uniform does not make him a veteran.

Mr. BIGG: It certainly does; it does not leave him a civilian.

The CHAIRMAN: This is not the first committee that has sat on this problem. If you go back to the records, this point has been argued pro and con, and the decision of a previous committee was that they were not veterans. Gentlemen, let me repeat that we are meeting this morning to provide background information for the new members of the committee who had no previous knowledge of the problem. I do not think we have enough information to make any direct decision or statement on this matter at the present time.

Mr. McINTOSH: Is it our privilege to determine whether they are veterans or not? We can say they can be treated similar to veterans, but I do not know whether it is our privilege to say they are veterans.

Mr. MELVILLE: The point, gentlemen, is this. Throughout the war, certain orders in council were passed to provide for certain groups whose work was closely allied with the war effort. In 1946 an act was passed—and note very clearly it says the Civilian War Pensions and Allowances Act. It was a separate statute altogether to provide for (1) merchant seamen and saltwater fishermen, (2) the auxiliary services personnel who left Canada and served with the units overseas. These were not members of the forces but they were specially provided for as civilians allied to work with the members of the forces.

Mr. CARTER: Were they in uniform?

Mr. MELVILLE: They had a special uniform.

Mr. CARTER: But they were not veterans.

Mr. MELVILLE: They were provided for as civilians. It is the Civilian War Pensions and Allowances Act which provides for them. Then you have the corps of civilian fire fighters for service in the United Kingdom—that is under (3), and other personnel who are enlisted by the Royal Canadian Mounted Police as special constables and guards and so on. There are ten classifications provided for in the civilian act, all of whom were working on special jobs, as I say, very closely allied with the work of the three services during the war. However, they were clearly designated as civilians.

The CHAIRMAN: Thank you, Mr. Melville; your statement has been very helpful to the members of the committee.

Mr. JOHNSON: May I add to that, Mr. Chairman. In the list of benefits granted to merchant seamen as a result of the agreement they signed, my notes

might be helpful to the committee. It says that merchant seamen are considered to be following their normal vocational pursuit in voluntary civilian employment at industrial rates of wages and therefore were not included in the Veterans Land Act, the War Service Grants Act or the Veterans Business and Professional Loans Act. Provision is, however, made for pensioners who are unable to continue service at sea, and that was the ruling at that time.

Mr. HERRIDGE: Mr. Chairman, I have listened to these statements with great interest. I think I am the only member of the committee who has sat on this committee since 1945 and I know the conflict in regard to this question and the hours that have been used to discuss it. I want to say in reply, it is quite probably this committee has considered giving certain benefits under the Veterans Charter to certain groups. I would like to ask Mr. Melville a question. I am concerned with the possibility of there being some men who are not pensioned because of a disability, through, say, the restrictive nature of the legislation. Would Mr. Melville advise the committee as to the number of applications there were under this act from seamen for pensions for themselves or for dependents, and the numbers that were accepted?

Mr. MELVILLE: I wish I had thought of that last night, because I would have had this information here for you today. I have not the information, but there is a restriction in the act that relates to merchant seamen. That is why application had to be made within a year of their discharge from the merchant seamen service. That also applied to claims from dependents. The commission was responsible for recommending an amendment to the Pension Act, whereby in the case of dependents, that time limitation was removed, because we realized at the time of death of that merchant seaman the dependent may not have been in a dependent condition; such may have arisen subsequently. In the case of disability the commission said this: if a merchant seaman serving on a ship as specified in the statute did incur a disability as a result of enemy action or counter-action against the enemy and was treated for that, as he may have been, and there is a record of that and he has not applied until, let us say, last year or this year, we will consider him the same as we do members of the forces. His claim has lain there, it has been dormant over the whole period; we will concede his right to claim. We consider that is a very fair interpretation of the statute and the intent of parliament.

Mr. HERRIDGE: Thank you very much, Mr. Melville. That is one point I was concerned about.

The CHAIRMAN: I think we are back on the beam again, asking pointed questions. Are there any more questions of that kind?

Mr. CLANCY: Yes, Mr. Chairman, I might have missed it, but just what are they asking for? Are the merchant seamen at the moment asking specifically for some extra extension?

The CHAIRMAN: They appeared before the committee last week with a brief.

Mr. CLANCY: I am sorry, I did not read it.

The CHAIRMAN: I think we can supply you with a copy of the proceedings.

Mr. SPEAKMAN: Actually, we are not discussing whether or not they are veterans, because they are not asking to be called veterans. They are asking for some extension under the veterans' charter.

The CHAIRMAN: We should be asking questions and obtaining information.

Mr. FORGIE: On page 3, the last paragraph says:

This recommendation was never implemented.

I do not know the effect of this heading, but they make an application for the Veterans Land Act to extend to all seamen. Then, under paragraph (c) on page 4, it says:

If pensioner, the benefits of the Veterans' Land Act are available.

What was the reason it was not made exclusive, why seamen who were not pensionable were not able to make an application under Veterans' Land Act.

Mr. LALONDE: Well, Mr. Forgie, the basis of entitlement to benefits for merchant seamen similar to those granted veterans is that they have received some disability due to enemy action. Therefore, disability due to enemy action is determined by a decision of the Pension Commission saying that the seaman either did suffer disability or he did not; and when it is established that he has suffered through enemy action or counter-action, as Brigadier Melville has explained, the man should be held on the same basis as a veteran pensioner. That is why you see the merchant seaman in receipt of a pension eligible under the Veterans' Land Act, whereas the merchant seamen who did not suffer through enemy action did not get the eligibility. The same thing applies to treatment.

Mr. FORGIE: Under the fifth paragraph, housing and Veterans' Land Act, they are asking now that all merchant seamen be entitled?

Mr. LALONDE: That is right.

Mr. MCINTOSH: I would like to ask Brigadier Melville a question. Brigadier Melville, in the second paragraph of Mr. Heide's letter, he suggested there were a lot of Canadian seamen who, because of their service on ships in wartime waters did not have opportunity to register, and only touched port very seldom. Has he had any case that came up with those men who could prove that point?

Mr. MELVILLE: The records are obtained from the ships' logs, and the records of the department. When we make an enquiry of the Department of Transport, we submit to them the claim the seaman has made and they go back to the records to establish whether or not it is a valid claim. The record is there.

Mr. LALONDE: Perhaps Captain Johnson could best answer your question.

Mr. JOHNSON: We had manning pools established at Sydney, Halifax, St. John, New Brunswick, Montreal, Vancouver, and there was an extension manning pool over on Vancouver Island. We were very closely, through these manning pools, in touch with not only wartime shipping itself, but also the crown agency, the Park Steamship Company, who were agents for all the ships owned in Canada at that particular time. The records of all the seamen who sailed on Park Steamships, passed through the manning pools. We had all these reports. If the ship was lost we had a number of secret and confidential files with information. We knew exactly what was going on, and I do not think it is right to say that any Canadian seaman who entered a manning pool had no opportunity to register. The only seamen who had no opportunity to register were the seamen who served on other than Canadian ships. It is only that group of seamen that Mr. Heide is interested in or who would back him up at the present time.

Mr. HERRIDGE: Mr. Chairman, could the Deputy Minister tell us if he knows what happened from the government angle with respect to the recommendation of the committee in 1954, that sympathetic consideration should be given to the Canadian Merchant Navy Veterans Association and also to those who served in World War II in dangerous waters, and that they receive the benefit of the Veterans' Land Act? I remember the committee was unanimous.

Mr. LALONDE: I can tell Mr. Herridge that I am aware that the matter was studied at the time in the department by the Minister of Veterans Affairs, and the conclusion was reached that to allow these merchant seamen to come in under Veterans' Land Act without the pension restriction would establish very definitely the principle that merchant seamen could get a veteran's benefit as such; and I think the reaction was (now, this is my own opinion), I think the reaction was that it would open the door to very far-reaching changes in principle which, for instance, would probably have had to be accepted in the War Veterans Allowance Act as well as in the Veterans' Land Act; and I think at that time it was felt that this was going too far. That is why the recommendation of the committee was not implemented.

Mr. HERRIDGE: The influences that flowed from such action had to be considered?

Mr. LALONDE: That is right, sir. It was not so much the recommendation itself as the future implications which it carried.

Mr. LOCKYER: Mr. Chairman, getting back to my question, it was my thought that if we could establish the number of casualties that happened in the merchant marine and the number of pensions which were recognized by the department we could then establish how big a proportion of these men were affected. We could also establish the fact that the period of service in the merchant marine could be decided.

The first two years of the war were very dangerous and the last two years of the war were comparatively safe on the seas. I said, "comparatively safe", not "safe". By arriving at these figures we would have an understanding of how many of these men came back with their health impaired, how many casualties there were and how big a number we are dealing with.

Mr. LALONDE: There is no way, Mr. Lockyer, of establishing how many casualties there were among merchant seamen except through the medium of the Canadian pension commission, where all those who claim to have had disabilities resulting from their service in dangerous waters, or through enemy action, have an opportunity to apply to the pension commission to get a pension for that disability.

Therefore, we have to assume that all those who suffered disabilities caused by this service would have applied to the pension commission and, therefore, once the pension commission has established the number of pensions granted for all practical purposes that becomes the number of casualties resulting from enemy action. We have no other record of casualties amongst merchant seamen.

Mr. LOCKYER: This seems to be extremely small according to the figures.

Mr. JOHNSON: That is the only record we have.

Mr. CARTER: You have 61 on the mainland and 25 in Newfoundland, only 86.

Mr. LOCKYER: It seems so very, very small.

Mr. MONTGOMERY: Well, as a matter of fact, would Mr. Johnson have any idea that the casualties were very heavy in any case?

Mr. JOHNSON: Oh yes, the casualties were very heavy. Between Britain and Canada I think we lost 25 per cent of the ships' complements throughout the war years. I am including Britain, of course, in that.

Mr. BIGG: This is not a list of casualties. The pensioners are not casualties. These people are still alive.

Mr. JOHNSON: That is quite right.

Mr. MACDONALD (*Kings*): I just wanted to address a question to Brig. Melville for information, Mr. Chairman.

You mentioned the category of extraordinary marine hazards. Have there been many applications under that category and could you just enlarge a little on the necessary evidence which would be required to substantiate such cases?

Mr. MELVILLE: I think the legislation is very wide. The act says, disability or death which resulted from enemy action or counteraction against the enemy which shall include extraordinary marine hazards occasioned by the war.

If I offered an outline it would mean probably limiting the statute. The Act provides for extraordinary marine hazards occasioned by the war and the commission had the privilege of considering under the statute the extraordinary marine hazard. That is why I mentioned instances of what took place, running in the blackout and so on.

Mr. CARTER: We have been given evidence this morning that 321 people got vocational training and 76 applied for insurance. Were any of these Great Lakes seamen? Did any Great Lakes seamen get this 10 per cent bonus?

Mr. JOHNSON: No.

Mr. CARTER: So we have already drawn a distinction between Great Lakes seamen and those that serve on the high seas. Those are the ones I am interested in, not the ones on the Great Lakes. Let us not confuse our thinking if we can separate the two categories because I think that was one of the obstacles.

Mr. JOHNSON: The seamen during the war years, Mr. Chairman, were divided into three categories—coastal seamen, foreign-going seamen, or deep seamen if you wish and the inland water seamen.

The coastal seamen in certain areas were really included in some of the benefits but the inland water seamen never were included.

Mr. CARTER: So when Mr. Heide is asking for benefits he has in mind just the one category?

Mr. JOHNSON: Just the foreign-going seamen, the salt-water seamen.

Mr. CARTER: And those are the only people we should be thinking about here?

Mr. JOHNSON: Yes.

Mr. MACDONALD (*Kings*): But I do not think he makes that distinction.

Mr. CARTER: Yes, that was the cause of our trouble.

Mr. HERRIDGE: It has been made throughout the years. We have been informed of these categories repeatedly.

Mr. McINTOSH: I am seeking information again in regard to the last paragraph in Mr. Heide's letter. He said:

—this Association is of the opinion this committee might well recommend to enact a statute making the Merchant Marine an auxiliary of the Navy in case of war—

Now, can this committee do that? We do not know the pros and cons of that. If he requests this committee to make that recommendation do you not think we should have some guidance on it or some information? We do not know whether the navy agrees to this or not. Have you any opinion on that?

Mr. JOHNSON: Perhaps I can give a short remark if I may and that is, that we have had tentative meetings with various departments relative to the formation of a mercantile marine in the event of a future war. This appears in departmental documents. It would be subject to governmental policy and what it amounts to, or what value it would have at this time I do not know; it is purely a plan or something to go on in event of war, and that is all I can say.

Mr. McINTOSH: So we can consider that request would have to pass through various departments and other organizations.

Mr. FANE: I just wanted to justify what I had to say. I know you took exception to my mentioning "next time".

Well, Captain Johnson has just remarked it, and this brief in the first half of that last paragraph mentions it:

We understand Canada's Merchant Marine is to be revitalized and we ask any new ships constructed be of nature that they can carry sufficient armaments in case of a future war. We ask that seamen be sufficiently trained, as our sailors, soldiers and fliers, before being sent into battle in another war.

That just supports my contention that it is next time that all this talk is about. It is not to be retroactive. How could it be? Could it affect very many of these people now in any way? Could it affect very many of the people who served in the last war?

Mr. LALONDE: The only thing I can say is this, Mr. Fane, that in my experience with the Department of Veterans Affairs—and I know that Mr. Herridge will agree with me, as the senior member of the committee—that once we have given a benefit under the veterans' charter only God can take it away.

Mr. FANE: That is what I am trying to get around, only I have not got the words you have.

Mr. ORMISTON: There seems to be a bit of repetition from Mr. Heide in regard to the Canadian merchant navy veterans' association because in 1948 he did not make any specific request; but he made a blanket request, because he asked for merchant seamen to be given the same benefits as members of the forces. That was a blanket request for the same benefits which are extended to veterans.

The CHAIRMAN: Yes, according to the evidence, that is quite true.

Mr. BIGG: The question of pay was brought up and I must say now, I was overseas 5½ years and I could never be compensated in cash. You give up your freedom when you join the army and you have any thought about money is completely irrelevant. I could not have been paid to stay 5½ years away from my wife in any circumstances.

I did so for reasons quite apart from the exchequer and I even resent hearing it discussed on a monetary basis. That, of course, is emotional but I think when you are discussing whether a person is or is not a veteran, we are in a different category.

The CHAIRMAN: Admittedly the monetary aspect is only one side.

Mr. BIGG: Well, even then we are only trying to compensate for things that cannot be bought, their health, life and future dependence and if there is a need for these merchant seamen to get something, I am away out in front of anything like that to help them get it. However, I suggest we should make sure that we are not discussing it on other terms.

If we are riding a veteran's hobby horse to get them something which is not under the act, I think they should have an act of their own.

Well, again we are supposed to be discussing this thing in a kind of vacuum. Surely we cannot recommend things.

The CHAIRMAN: We are not making any recommendations.

Mr. BIGG: Well, perhaps I am wrong but I am afraid that we are going to go from here and make recommendations which perhaps could be made in another way and I suggest in a better way and I suggest this, that we ask for a war compensation act for merchant seamen. Why call them veterans at all.

The CHAIRMAN: Well, we have the civilian war pensioners act now.

Mr. BIGG: Well, it is not adequate, apparently.

The CHAIRMAN: Oh yes it is, so far as pensions are concerned.

Mr. BIGG: Then, why are we trying to work it in under this act? If it is adequate it is home free.

Mr. CHAIRMAN: Are we going to discuss principles now? We had better move into camera if we are.

Mr. LOCKYER: I would like to go back to my statistics again. The statement was made there were total casualties of 25 per cent. What happened to the families of those 25 per cent? There must have been some families involved.

Mr. JOHNSON: They would received dependents' allowance.

Mr. LOCKYER: All right then, have we got some figures?

Mr. HERRIDGE: Were you not including the British Merchant Navy in those figures?

Mr. JOHNSON: The 25 per cent, that was the over-all total.

Mr. MONTGOMERY: Mr. Chairman, I would like to ask this question because I am maybe under the wrong impression. I think maybe Brigadier Melville can answer it. Is it not true that at the present time there is provision in law for all people who suffered disability or the dependents of those who lost their lives?

Mr. MELVILLE: There is provision in the civilian act and there are at the present time 330 Canadian dependents who are in receipt of pensions and these dependents might be widows, the parent or parents or maybe orphan child or children. They are dependents of men who died and whose death resulted from enemy action or counter-action against the enemy.

In addition to the 330 Canadians, there are 86 Newfoundlanders so we have 416 dependents all told of merchant seamen who lost their lives under the circumstances mentioned.

Mr. LOCKYER: What I am trying to establish is that this seems to be infinitesimally small, the statement that there was 25 per cent.

Mr. JOHNSON: That statement Brigadier Melville has made only covers Canadian pensioners. The 25 per cent figure I gave was 25 per cent of the combined British mercantile fleet which would include the United Kingdom and Canada and the other dominions.

Mr. LOCKYER: I am quite aware of that, Mr. Chairman, but our proportionate loss, we must have had more men in the merchant navy in Canada than that?

Mr. LALONDE: It is not proportionate, Mr. Lockyer, because they had not all served in the same spot. There is one sure thing that if Canadian merchant seamen lost their lives at sea and had dependents they would certainly get a pension. It is an entitlement as of right. The only inference that you can draw is that the Canadian losses were not as heavy or that there was a lot of single men in the Canadian merchant seamen.

Mr. LOCKYER: All right, what we have established then is this, that the number of Canadians concerned—and they are the people we are interested in right now—the number of people we are concerned about right now are a very, very small group compared with the armed forces.

Mr. JOHNSON: I think on a percentage basis they were probably higher than the armed forces—merchant seamen.

Mr. LOCKYER: Casualties?

Mr. JOHNSON: Yes, the over-all casualties on a percentage basis.

Mr. LALONDE: Yes, but the number of men involved was much smaller.

Mr. LOCKYER: That is what I was trying to establish.

Mr. MELVILLE: One figure I can add. I got this information as I left this morning. This section of the act which provides for merchant seamen also provides for saltwater fishermen, that is, men who are fishing in the tidal waters of Canada. There are eighteen dependents in receipt of pensions on the books at the present time with an annual liability of \$20,880.

Mr. CARTER: That is in addition to the figures you gave first?

Mr. MELVILLE: Yes, they are dependents of saltwater fishermen.

Mr. CARTER: Are they broken down for Newfoundland?

Mr. MELVILLE: I will be glad to get it for you, Mr. Carter.

Mr. CARTER: It is not that important. I thought you might have it there.

Mr. HERRIDGE: I move we adjourn, Mr. Chairman.

The CHAIRMAN: Before we accept the motion, gentlemen, this was an extra session of the committee sitting so that we might, as I have indicated several times during our discussions this morning, obtain information on this merchant marine problem. We have actually been operating this morning without any terms of reference.

Have you any suggestions as to where we should proceed from here?

Mr. CARTER: Before we adjourn, Mr. Chairman, there is one question I have been trying to ask all morning. Mr. Johnson was telling us about dangerous waters. Did that vary from time to time and were certain areas declared dangerous and the same area declared not dangerous at different times in the war?

Mr. JOHNSON: Yes, naval authorities were the ones who designated dangerous areas.

Mr. CARTER: That was always changing?

Mr. JOHNSON: It changed to some extent, but I think most of the dangerous areas remained dangerous. I think if it was not submarines it was mines or something like that, but there were extra areas added to the dangerous list.

Mr. CARTER: And they are recorded and that information is available?

Mr. JOHNSON: Oh yes, we use that information in making medal awards.

Mr. CARTER: I think it would have been nice if we could have had that included in the record.

Mr. JOHNSON: Towards the end of the war most of the oceans were dangerous areas.

Mr. CARTER: Could that be supplied and put in as an appendix?

Mr. LALONDE: You mean the list of dangerous waters?

Mr. CARTER: Yes.

Mr. LALONDE: If we can obtain the list from the naval authorities we will be glad to do it.

The CHAIRMAN: How long would that take, Captain Johnson?

Mr. JOHNSON: If I can obtain the information. Well, I do not know how available their records are, Mr. Chairman. If they are anything like ours they are buried about five blocks away and about six cellars deep.

The CHAIRMAN: The problem here is the necessity of printing.

Mr. LALONDE: Is it not satisfactory, Mr. Carter, to know that there is a record of what were known as dangerous areas?

Mr. CARTER: Yes.

Mr. LALONDE: As long as the committee knows that without knowing exactly what they were.

Mr. CARTER: I was thinking about the minutes of this meeting going out to Mr. Heide and his associates and so on, that it would be additional information for them.

Mr. JOHNSON: I think perhaps, Mr. Chairman, war risk bonuses that were paid were paid for services in dangerous waters and without any exception, any exception at all, no matter where the ship was bound or what the nature of her voyage was during the war each member of her crew received the war risk bonus so practically every ocean in the world was dangerous.

Mr. CARTER: Practically every ship on the high seas?

Mr. JOHNSON: Yes, I do not think there is any question about that.

Mr. CARTER: Well, that is all I need.

The CHAIRMAN: On this matter of where we proceed from here, perhaps the members of the steering committee could remain behind for a moment.

This sitting, I believe, concludes our meetings for the current session. We can adjourn at the call of the chair, but in case we do not meet again in this way during the present session, I want to thank all the members of the committee for their interest as well as the officials from the Department of Veterans Affairs and particularly Captain Johnson who has been with us this morning.

Mr. THOMAS: What about a report of this meeting?

The CHAIRMAN: There will be a printed report.

Mr. THOMAS: Will we have to reach a conclusion or are we simply taking no action?

The CHAIRMAN: That is what the steering committee will meet together to consider. We have a motion to adjourn.

Mr. ORMISTON: I would like to say how much the committee appreciates the able direction of the chairman.

The CHAIRMAN: Very kind of you, Mr. Ormiston.—The committee adjourned.

