LIBRARY OF PARLIAMENT

Canada. Parl. H.of C.Standing
Comm.on Veterans Affairs,1959.
Minutes of proceedings
and evidence. c.1
J
103
H7
1959

Canada. Parl. H.of C. Standing
Comm.on Veterans Affairs, 1959.

J
103
H7
1959
V4
A1
c.1

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

RECEIVED
MAR 6 1959
LIBRARY OF PARLIAMENT

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1

Estimates 1959-60 on the Department of Veterans Affairs

TUESDAY, FEBRUARY 17, 1959
THURSDAY, FEBRUARY 26, 1959

WITNESS:

Mr. Lucien Lalonde, Deputy Minister of Veterans Affairs.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

20647-4—1

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.,

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

and Messrs.

Badanai	Herridge	Peters
Batten	Jung	Pugh
Beech	Kennedy	Roberge
Benidickson	Lennard	Robinson
Broome	Macdonald (*Kings*)	Rogers
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

ORDERS OF REFERENCE

TUESDAY, February 10, 1959.

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

Messrs.

Badanai,	Herridge,	Peters,
Batten,	Jung,	Pugh,
Beech,	Kennedy,	Roberge,
Benidickson,	Lennard,	Robinson,
Broome,	Macdonald (*Kings*),	Rogers,
Cardin,	MacEwan,	Speakman,
Carter,	MacRae,	Stearns,
Clancy,	Matthews,	Stewart,
Denis,	McIntosh,	Thomas,
Dinsdale,	McWilliam,	Webster,
Fane,	Montgomery,	Weichel,
Forgie,	O'Leary,	Winkler—40.
Fortin,	Ormiston,	
Garland,	Parizeau,	

(Quorum 15)

MONDAY, February 9, 1959.

Ordered,—That the said Committee 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.

FRIDAY, February 13, 1959.

Ordered,—That Items numbered 448 to 473 inclusive, and Items numbered 487 and 488, as listed in the Main Estimates of 1959-1960, relating to the Department of Veterans Affairs, be withdrawn from the Committee of Supply and be referred to the Standing Committee on Veterans Affairs, saving always the powers of the Committee of Supply in relation to the voting of public moneys.

TUESDAY, February 17, 1959.

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

Attest.

LEON J. RAYMOND,
Clerk of the House.

20647-4—1½

REPORT TO THE HOUSE

TUESDAY, February 17, 1959.

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 by the House on the same day.*)

MINUTES OF PROCEEDINGS

House of Commons, Room 112N.

TUESDAY, February 17th, 1959.

The Standing Committee on Veterans Affairs met at 11:30 o'clock a.m.

Members present: Messrs. Badanai, Beech, Dinsdale, Fortin, Garland, Herridge, Kennedy, Lennard, MacRae, Matthews, McIntosh, McWilliam, Montgomery, O'Leary, Ormiston, Parizeau, Peters, Pugh, Robinson, Rogers, Speakman, Stewart, Thomas, Weichel, Winkler.

The Clerk of the Committee attended the election of Chairman.

Mr. Montgomery moved, seconded by Mr. Weichel,

That Mr. Walter Dinsdale be elected Chairman of the Committee.

On motion of Mr. Speakman, seconded by Mr. Beech,

Resolved,—That nominations for Chairman now close.

And the question having been put on the proposed motion of Mr. Montgomery, it was carried unanimously.

Mr. Walter Dinsdale took the Chair and thanked the Committee for the honour bestowed upon him.

Mr. O'Leary moved, seconded by Mr. Pugh,

That Mr. Montgomery be elected Vice-Chairman of the Committee.

On motion of Mr. McIntosh,

Resolved,—That nominations close.

And the question having been put on the proposed motion of Mr. O'Leary, Mr. Montgomery was declared elected Vice-Chairman.

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

Resolved,—That the Committee be empowered to print such papers and evidence as may be ordered by the Committee.

Mr. Speakman moved, seconded by Mr. Lennard, that the Committee be allowed to sit while the House is sitting.

In amendment thereto Mr. Herridge moved, seconded by Mr. Peters,

That the Committee seek permission to sit while the House is sitting "only when it is necessary to hear representatives from the outside".

And the question having been put on the proposed amendment of Mr. Herridge, it was, on a show of hands, resolved in the negative on the following division:

Yeas, 4; Nays, 16.

And the question having been put on the proposed motion of Mr. Speakman, it was, on a show of hands, resolved in the affirmative on the following division:

Yeas, 16; Nays, 4.

On motion of Mr. McIntosh, seconded by Mr. Ormiston,

Resolved,—That the quorum of the Committee be reduced from 15 to 10 members.

On motion of Mr. Lennard, seconded by Mr. MacRae,

Resolved,—That the Chairman, Vice-Chairman, and 6 other Members of the Committee, to be named by the Chairman, act as a Subcommittee on Agenda and Procedure.

The Chairman then announced that the following Members compose with him and the Vice-Chairman the Committee on Agenda and Procedure:

Messrs. Lennard, Kennedy, Rogers, Forgie, Cardin and Herridge.

The Chairman then informed the Committee that the Estimates of Veterans Affairs had been referred to the Committee and that it was proposed to start the business of the Committee on the 26th of February, 1959.

A 12.00 o'clock noon the Committee adjourned to the call of the Chair.

THURSDAY, February 26, 1959.

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

Members present: Badanai, Batten, Broome, Cardin, Carter, Dinsdale, Fane, Herridge, Lennard, Macdonald (*Kings*), MacEwan, Matthews, Montgomery, O'Leary, Ormiston, Parizeau, Pugh, Roberge, Robinson, Rogers, Speakman, Stearns, Stewart, Thomas, Webster, 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, Acting Chairman, Canadian Pension Commission; C. F. Black, Secretary of the Department, J. E. Walsh, Finance, Purchasing and Stores, with his Assistant Mr. A. F. Graves; Mr. J. G. Bowland, Research Adviser, and Mr. G. S. Way, Chief of Information.

On motion of Mr. Montgomery, seconded by Mr. O'Leary,

Resolved,—That pursuant to the Order of Reference of February 17th, 1959, the Committee, until further order, print from day to day, 900 copies in English and 200 copies in French, of its Minutes of Proceedings and Evidence.

The Chairman invited the Minister who addressed the Committee briefly.

The Chairman thanked the Minister for his attendance, and the Committee proceeded to the consideration of the Departmental Estimates for the fiscal year 1959-60.

Item 488—Departmental Administration was considered.

During consideration of item 488 Mr. Lalonde was called. The witness produced a chart showing Head Office Organization of the Department of Veterans Affairs, also lists of D.V.A. District Offices, V.L.A. District and Regional Offices, Departmental Hospitals and Institutions, and Prosthetic Manufacturing Centres, together with a statement of Appropriations and Expenditures covering the Estimates of 1959-60. Copies of the said lists and statement were supplied to each Member of the Committee.

During Mr. Lalonde's examination, Mr. Mutch answered questions relating specifically to the Pension Commission.

Item 488 was allowed to stand.

At 12:30 o'clock p.m. the Committee adjourned to meet again at 11:00 o'clock a.m. Monday, March 2nd, 1959.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

THURSDAY, February 26, 1959.
10:30 a.m.

The CHAIRMAN: Gentlemen, I see a quorum. We will proceed.

I want to dispense with the preliminaries at least at the commencement of the committee's sitting this morning, in view of the fact that we have the minister here and he has to be away to a cabinet meeting. There is one item I believe we must take care of before we commence our deliberations this morning, that of providing for the printing of the committee's reports.

Mr. MONTGOMERY: I move, seconded by Mr. O'Leary, that pursuant to the order of reference of February 17, 1959, the committee until further order print from day to day 900 copies in English and 200 copies in French of its minutes of proceedings and evidence.

Agreed to.

The CHAIRMAN: Now, without any further discussion, it is my pleasure to introduce the minister, Colonel Brooks. This is our second year of meeting together as the standing committee on veterans affairs. Most of you are veterans from the committee last year; others are new to some extent. Perhaps it would be helpful if the officials of the department who are with us this morning could be introduced, and there is no one better qualified to do that than the minister.

We welcome you, sir, and are in your hands for as long as you wish to speak to us.

Hon. ALFRED JOHNSON BROOKS (*Minister of Veterans Affairs*): Mr. Chairman and gentlemen, it is not my intention to make any forty-minute speech. As a matter of fact I am supposed to be in cabinet but I said I had to come here first.

As the chairman has told you, most of the members on the committee this year I see were members last year. However, I notice also there are some new members. I wish to welcome both the new and the old members —and by that I do not mean old in years, but now older in experience than when they were here last year.

I also wish to express my pleasure, Mr. Chairman, at your selection again as the chairman of this committee. We feel that not only you but the whole committee did an excellent job last year, and frankly I want to express my personal appreciation and my thanks to all the members of the committee.

As I said last year, I do not see many of the faces which I have seen over the past twenty-three years here in this committee. Without calling attention to a very old member of the committee—and again in that I mean old in experience, and of course in twenty-three years you do get a little older in years—I would like to say I see my good friend Mr. Herridge here who served on a great many committees with me in days gone by. I also see Mr. Mutch who used to be chairman of this committee when we were studying the veterans charter.

I think this is one of the best committees of the house; I always have felt so. A great many friendships are formed here. By that I do not mean we have always agreed on everything that was done—because I have seen

some rows in the veterans affairs committee,—but we usually came out with a solution of the problem pretty much in favour of the veteran; and that is exactly what the purpose is.

Mr. HERRIDGE: Family rows.

Mr. BROOKS: Yes. Some family rows are of the worst kind, but these did not prove to be so.

I might say that during the recess I took the opportunity which is also part of my duty as the Minister of Veterans Affairs to visit different parts of the country, including the different district offices as well as our hospitals.

There is a lot of visiting to be done. When I came to the department I was informed by the deputy minister it would take six months to make a proper visit. I did not spend six months but I spent a few months and I got more than half way through I believe.

However, it was a great experience to visit the district offices and to visit the persons who are at the grass roots as far as our work is concerned,—the nurses, the doctors in the hospitals, the attendants, supervisors and those in the Veterans Land Act who go out to inspect the farms and keep in touch with the men. That is where one gets a good idea of the work being done by the Department of Veterans Affairs. It is an enormous task. Having had that opportunity myself and knowing what a benefit it was to me personally, I hope that this committee if it so decides will have an opportunity to visit at least some of the hospitals near Ottawa.

I would like to try to arrange perhaps a visit to the Sunnybrook hospital in Toronto, one of the largest in Canada, and also a very fine one, and perhaps also a visit to the Queen Mary hospital in Montreal. These are two of the hospitals near Ottawa. I think it would be a great education and a great help to the members if they visit these hospitals and see the work being done for the veterans in the hospitals.

I might say that hospitalization is becoming one of the greatest if not the greatest task, as far as veterans are concerned. The first work you will undertake here will be that of looking over the estimates. Last year was the first time the estimates had been sent to the veterans affairs committee. They are also of course placed before the committee of the whole house.

There is a good deal involved in the consideration of the estimates. It is not just a matter of looking at an estimate and passing it. The intention in going into the estimates—and I do not need to tell you this—is to determine whether or not this amount of money is needed for that particular purpose. I do hope a thorough investigation will be made by the members of the committee. You have all the time that is necessary.

We will have at the disposal of the committee, not only the deputy minister, but also the head of every branch of the department—the Veterans' Land Act, the pensions, the war veterans allowance, hospitalization, insurance, and all of these. I hope when these items come before the committee that a very thorough study and search will be made of all the estimates, and in doing that you will be doing what is the proper work of the committee and something which should be done as far as the public is concerned.

Besides the estimates, we will have three bills before the committee this year. Two of them are important but are not long. The legislation includes amendments to the War Grants Act, the Veterans Rehabilitation Act and the Veterans' Land Act. The first two will not take very much of your time. The third, the Veterans' Land Act, will take a lot of time because we can make a thorough study of it, and we will have more to say about that later. It is something which I know is going to be very interesting and will require much of your time.

Besides the study of these acts, you will have representations made to you by different veterans' organizations. I do not think, Mr. Chairman, there is

anything more I wish to say this morning. The officials of the department are here. They will be available to the committee at all times and I want the committee to make the very best use possible of them. I hope to attend as many as possible of your meetings as I can.

I simply wish you the very best of luck and hope you will enjoy the discussions. I know your deliberations will be of benefit not only to yourselves but also to the House of Commons and the people in general. Thank you very much, Mr. Chairman. I am going to ask the deputy minister to introduce the officials from the different branches and if you will excuse me I will go about some other duties which I have this morning.

The CHAIRMAN: Thank you very kindly, Mr. Minister.

Now, gentlemen, our first item of business is consideration of the estimates, and for that purpose we will require copies of the estimates book. I trust everyone is suitably equipped.

While some of the members have left to get their estimates books, perhaps I may sound out the opinion of the members of the committee in respect of future sittings. Last year we sat usually on Mondays and Thursdays. It will be the responsibility, of course, of our steering committee to make the final decisions on these matters, but I would like some expression of opinion from the members of the committee as a whole in respect of sitting on Mondays while we are considering the estimates at least.

Mr. BROOME: It does not affect the western members.

The CHAIRMAN: That is true.

Mr. CARDIN: What time do you usually sit?

The CHAIRMAN: We would get under way at ten-thirty.

Mr. HERRIDGE: Mr. Chairman, if we are to undertake to sit on Monday mornings and on Thursday mornings, in view of the probable length of the session, we should pretty well get through our work without having to sit while the house is sitting.

The CHAIRMAN: That is my own thinking in the matter. Could we have a general agreement in respect of the Monday morning sittings?

Agreed.

The CHAIRMAN: I think we have spokesmen here for most of the regions interested in this, so the steering committee will go ahead and make arrangements accordingly. I hope the steering committee will be able to remain behind for a few minutes in order to finalize these matters.

Mr. STEARNS: Will we still sit on Thursday at ten-thirty?

The CHAIRMAN: Yes. We hope to sit at ten-thirty unless we run into a series of conflicts with other committees.

Mr. STEARNS: I am thinking of the mines committee. Can you get them to sit at a time other than ten o'clock on Thursday?

The CHAIRMAN: Last year there were two committeess scheduled for Thursday morning and the mines committee was not one of those committees. We will try to have a working agreement.

Mr. FANE: Have you decided on Monday and Thursday at ten-thirty?

The CHAIRMAN: We hope to sit in the initial stages on both Monday and Thursday mornings. Incidentally, I am using this time until the other members return. We will have a final expression of opinion in respect of the Monday meeting before the next day's meeting.

Mr. PUGH: Is there anything wrong with meeting at eleven o'clock instead of ten-thirty?

Mr. HERRIDGE: Could we consider meeting at eleven o'clock on Monday and ten-thirty on Thursday?

The CHAIRMAN: That should be agreeable. We could sit from eleven until one.

Mr. MONTGOMERY: Do you not think Thursday is going to be a day on which it will be difficult to make arrangements?

The CHAIRMAN: I think Thursday will be the difficult day.

Now we will proceed to the main business of our meeting this morning. We have with us the deputy minister of the department, Colonel Lalonde.

Mr. CARTER: Before we start discussing the estimates, could you give the committee any information as to what organizations or what briefs may be before us at this session.

The CHAIRMAN: Yes. I can do that, Mr. Carter. We have had requests from three groups thus far and I anticipate hearing from others. So far they are the Hong Kong veterans association, the war amputees, the real estate people who are interested in amendments to the Veterans Land Act, and perhaps this could be postponed until that legislation is before us. The Legion I know will be interested, and perhaps the Canadian Corps. We will discuss this subject in the steering committee following our meeting this morning.

Mr. CARTER: Have you had any correspondence with the overseas forestry association?

The CHAIRMAN: No; there has been no approach from that group. Are there any further questions before we get under way?

Mr. CARDIN: Would you run down the list of the members who belong to the steering committee?

The CHAIRMAN: The membership of the steering committee consists of the following: the chairman, Mr. Montgomery, Mr. Leonard, Mr. Kennedy, Mr. Rogers, Mr. Forgie, Mr. Cardin and Mr. Herridge.

Mr. CARDIN: Thank you.

The CHAIRMAN: Now, Colonel Lalonde, we welcome you to our committee this morning. We have at least half a dozen new members of the committee so I think it would be helpful if you would introduce the officials who are here so that they might be properly identified, and we may start the discussion rolling with any remarks you might care to make.

Mr. LUCIEN LALONDE (*Deputy Minister of Veterans Affairs*): Mr. Chairman and gentlemen: speaking on behalf of the officials of the department may I say that it is again a pleasure for us to appear before this committee on veterans affairs.

All of us fully realize the importance of the work which you are doing, not only for veterans generally, but even for the department itself.

We sincerely hope that our contribution to your work will be helpful, and we shall certainly attempt to provide you with all the information you require in a clear and concise manner.

We also mindful of the fact that the members of the committee have always been very kind to us; and I would like to take this opportunity to express to you our appreciation and our thanks for your courtesy and understanding.

Before I go into the first phase of the estimates, I would like to introduce to you the officials who are here.

I was advised by the secretary of the committee that it wanted to deal this morning with the first item of the estimates, departmental administration. Therefore I have not asked all the officials who will appear before the committee to come down this morning. I have only asked those who are directly concerned with the item of departmental administration.

Later on as the work of the committee progresses, the director of each branch will appear before you and I shall have an opportunity at that time to introduce them to you.

I would like to introduce to you Mr. F. T. Mace, the assistant deputy minister; Mr. Walsh, director of finance, purchasing and stores; Mr. Graves, his assistant; Mr. Bowland, our research advisor and statistician. He is going to be a very important man to us while we are before the committee.

I also wish to introduce to you Mr. C. F. Black. Most of you already know him. He used to be the superintendent of insurance—well, he is not that any more; he was promoted last year to the office of departmental secretary.

I have not introduced the last official who is sitting here at the head table as being concerned with departmental administration. I think you all know him. He needs no introduction. He is the acting chairman of the Canadian pension commission. I mean Mr. Leslie Mutch.

Mr. HERRIDGE: Much was expected, "Mutch" has been given.

Mr. LESLIE MUTCH (*Acting Chairman of the Canadian Pension Commission*): I hope you will say that at the last meeting!

The CHAIRMAN: We are starting off in a very small manner!

Mr. LALONDE: You will recall that last year at your first meeting we started out by discussing the organization of the department generally. This year you may not feel that it is necessary to go into as much detail as we did last year, when there were so many new members. However, I think it would be helpful to you to have certain information about the organization of the department, about its officers in the field, about the people who do the work, and also some information that was requested last year.

So we are endeavouring to place before you right at the beginning a comparative statement of our estimates for 1958-59 and 1959-60, and at the same time an estimate of our actual expenditures in 1958-59 so as to give you another basis of comparison with the items which are asked for in next year's estimates.

With your permission I would ask some of the officials to distribute a folder which contains this information. Perhaps it might be useful if I went over the material in this folder as quickly as possible.

The first item is a chart showing the head office organization of the department with the minister and the deputy, the assistant deputy, the pension commission, and the war veterans allowance board.

These are self explanatory. Then, on the left hand side of the page you have the block which we call departmental administration and which is covered in the estimates under that title.

There is the departmental secretary's office; the information services; the four major directorates dealing with the administration proper, the directorate of personnel, finance, engineering, and legal; and at the bottom is the methods and inspection division.

At the right hand side of the page are the four branches which we call the operating units of the department.

Every benefit that a veteran can get is dealt with by one of those branches; and the four administrative directorates on the left hand side of the page provide all the administrative services to the branches shown on the right hand side of the page.

You will notice that we also have mentioned the name of each person who is in charge of each particular group. I thought it might be helpful to you if you ever wanted to contact any of them.

The CHAIRMAN: Mr. Lalonde has indicated that if you wish to ask questions at any time, it would be quite in order.

Item 448 Departmental Administration $2,437,352

The CHAIRMAN: Anything which comes under the purview of item 448 is in order. Perhaps it would be helpful to have the questions and answers as we proceed. Are there any questions at this stage?

Mr. HERRIDGE: Do you include also the sub-headings under departmental administration, item 448?

The CHAIRMAN: What is your question, please?

Mr. HERRIDGE: Do you mean questions on any items mentioned under item 448? Is that what you mean?

The CHAIRMAN: At this point I wonder if we could restrict our discussion as closely as possible to the general heading "Administration services", because we shall be proceeding to the various branches, such as treatment services, V.L.A., welfare services, and so on, when we shall have the directors of each of those branches before us. Therefore may we restrict our questions this morning to those of a general nature! I think that might produce a more helpful discussion.

Mr. LALONDE: I forgot to say that each branch is governed by a separate vote; but the four administrative directorates are included in the one vote under departmental administration.

Mr. HERRIDGE: Yes.

Mr. LALONDE: The second item that you have in the folder is a list of our district offices. This serves a dual purpose. It gives you the name of the administrators or the people who are in charge in each office, and it gives you the address of that office. It also gives you the organization of our offices in the field areas.

That covers what we call our D.V.A. district offices; it covers the Veterans Land Act district and regional offices; and it covers the departmental hospitals across the country and the prosthetic manufacturing centers. Those are the places where a veteran can get an adjustment on his prosthetic appliances or a renewal, or a refitting.

Mr. HERRIDGE: What does the note mean, "regional administrators carry dual appointments"?

Mr. LALONDE: About four or five years ago we reorganized the department into five regions with each regional administrator being responsible for a number of district offices.

After seeing the system operate for about three years we decided that the regional administrator who had to have his office in one of the district offices might well carry out the duties of regional administrator and at the same time act as district administrator for the district in which he was residing.

We were thus able to economize to the extent of at least five senior positions across Canada. So far there has been no evidence that the work load has been such that it has not worked well with respect to the department and the district offices. We think it is a reasonable administrative move, and it has enabled us, as I said, to reduce by five positions at a fairly high salary level.

Mr. BROOME: That appears to be true in all regions except the Atlantic, where Mr. Scott has not the dual arrangements as shown in all other regions.

Mr. LALONDE: Well, Mr. Scott is regional administrator for the Altantic region and at the same time he is district superintendent of Veterans Land Act. So they all carry a dual appointment.

Mr. WEICHEL: Are these copies sent to the different Legions throughout Canada? Do the Legions get a copy of this sent to them?

Mr. LALONDE: The provincial commands have this information in every province.

Mr. WEICHEL: I mean each individual branch?

Mr. LALONDE: No, not unless the provincial commands have made copies and distributed them to the branches.

Mr. HERRIDGE: They do in British Columbia.

Mr. LALONDE: I am not aware of that.

Mr. ROGERS: Mr. Chairman, I notice that C. A. Scott's address is Halifax; has he also an office in Saint John?

Mr. LALONDE: Yes, as district superintendent of Veterans Land Act his head office is in Saint John, but the office of the regional administrator for the Atlantic area has always been in Halifax.

Mr. ROGERS: Where do these gentlemen with dual capacity spend most of their time?

Mr. LALONDE: In the district office where they are located. They are asked to take a trip within the region; in other words, to visit the other district offices within their region once a month, if necessary. However, it is usually once every two months. The advantage of this system has been that previously whenever we wanted to bring together the people who did the work in the field in order to obtain their advice, we had to bring in 19 district administrators. This was very expensive and also a little unwieldy. Whereas now the regional administrators come to Ottawa three times a year on specific dates and we have what we call our advisory council meeting at that time.

In this way we are able to discuss with people who work in the field some of our problems and make recommendations to the minister. So that we are constantly in touch with what goes on in the field; otherwise, it is rather difficult to do it while sitting down in your office here in Ottawa.

Mr. ROGERS: I think it is a very good idea.

Mr. HERRIDGE: I would like at this time to compliment the persons responsible for this arrangement. It is distinctly against the trend in modern government administration; and I think those responsible should be complimented on this saving which is not affecting the efficiency of the department.

Mr. LALONDE: We are supposed to find these things out, Mr. Herridge; that is our job.

Mr. MONTGOMERY: May I ask, why a sub-district? I think you explained it last year but I have forgotten.

Mr. LALONDE: There are a few places where we need an office but there are not enough veterans or work involved to maintain a complete district set-up; so we call these offices sub-district offices. They are attached to a district office where we have a full complement of administrative services. For instance in district offices you have personnel services; you have treasury offices; you have legal services; you have financial services. These are not needed in the sub-district offices. They do the local work with a minimum of personnel, and all their paper work is done through the district offices. This eliminates a duplication of the services I have just mentioned.

Mr. MONTGOMERY: They would come under the district administrator of the particular area.

Mr. LALONDE: Yes, that is correct. For instance, in Sydney, they come under the district administrator for Halifax; in Kingston they come under the district administrator for Ottawa.

Mr. MONTGOMERY: Would these just have one person and a secretary, or something like that?

Mr. LALONDE: Oh, no. In Kingston we have welfare services; we have treatment services—on a reduced scale, of course. The Canadian pension commission has a pension medical examiner, and while that staff is not large

enough to constitute a district office, it is large enough to look after all the needs of the Kingston area without asking the veterans in the Kingston area to come to Ottawa to obtain what they want.

Mr. BROOME: But there are a limited number of sub-district offices. Certainly Windsor is the only one in the Ontario region, that I see. No, that is the main office. Are there checks being made all the time as to where these district offices are required or not required, or whether you need a district office in some other location.

In other words, the district offices do not seem to cover the whole country, apart from the main offices; and what I am wondering is whether the function of the district office is working itself out so that you do not need them.

Mr. LALONDE: We are, of course, conducting a constant survey of the volume of work in each office. As a result of that continuing survey, for instance, three years ago Kingston, which was a district office, became a sub-district because the volume of work had gone down to a point where it did not justify the continuation of a district office. We also have to take into account the geographical location; for instance, there is no doubt that the work in the district office in Charlottetown is not as great as that of the district office in Montreal. That is because of the population and the number of veterans in the area. But we have to maintain a district office at Charlottetown because of the geographical problems. We have to have a personnel office in Charlottetown; we could not operate from Halifax. We have to have our treasury services in Charlottetown.

Mr. BROOME: The point I am making is that if you have offices in British Columbia, at Vancouver, and if you go to Mr. Herridge's riding you have 350 miles of travelling. A lot of these district offices are relatively close to the main office. It was wondering if you operate in British Columbia with one main office if you need the sub-district office.

Mr. LALONDE: Yes, we think we can only operate on the basis on which we operate now, because the populated areas of British Columbia are so scattered that it would be impossible to have a sub-district office in any one area where you would eliminate the travelling we have to do from Vancouver.

Mr. MATTHEWS: How complete are the services in Victoria, British Columbia? From what I am given to understand they obtain very good service in that office.

Mr. LALONDE: This is our largest sub-district office. The only thing they do not have in Victoria is personnel services; that is handled from Vancouver. The legal services are also handled in Vancouver, as well as the main district treasury office. However, there is a treasury representative in Victoria.

Mr. MATTHEWS: And, of course, at the hospital there the island receives very good service anyway; the island is pretty close to Vancouver.

Mr. LALONDE: Again there is the geographical problem involved; even from the Victoria sub-district office they do a lot of travelling.

Mr. SPEAKMAN: In regard to D.V.A. district offices, I would like to ask why there is no mention made of the Yukon. From my knowledge of the Yukon I know there is a considerable population of veterans there. Is any consideration being given, perhaps at some future date, to open a sub-district office in Whitehorse?

Mr. LALONDE: This is a problem we are now studying. We have had representations from people who live in that area and we have discussed it with the region officials. Our regional administrator in the area has visited the whole of the Yukon in order to find out what the local problems are and the way in which the veteran population is distributed.

The main difficulty that appears to exist is that, even with a sub-district office in the Yukon, we would still have to do as much travelling; that is, the veterans would have to do as much travelling as we are doing now from Edmonton or Vancouver. Of course, most of the travelling we do is by plane. We have not been able to pin-point any area where there is a real preponderance of veterans to the exclusion of other areas in the Yukon.

In answer to your question, very definitely we are studying a method which will enable us to provide even better services than we are now providing.

Mr. SPEAKMAN: The point I am thinking about, Mr. Chairman, is the fact that Whitehorse now has a $2½ million veteran hospital, and from my own knowledge—and it is three years since I have been there—there are, I would think, probably several thousand veterans numbered among the population of the Yukon.

In view of the very high cost of air travel, would it not be more economical to instal a sub-district office with, let us say, a principal clerk and a couple of junior clerks?

Mr. LALONDE: Would you mind, Mr. Chairman, reserving that question until Dr. Crawford is here, because he has been looking into that very problem and he has made some arrangements to provide that treatment in connection with the new hospital.

Mr. SPEAKMAN: I will do that; thank you.

Mr. LALONDE: If you would ask the question when he is before the committee he will be able to give you better information on this subject.

Mr. CARTER: Would Colonel Lalonde tell us the kind of set-up they have in London, England; is that purely a liaison office?

Mr. LALONDE: No, it is a complete district office, and it looks after all Canadians veterans living in England or anywhere on the continent who are entitled to some benefits under the charter.

Mr. CARTER: It is an exact duplicate of these district offices in Canada?

Mr. LALONDE: That is right, except they do not have any hospital; they use the hospital facilities of the United Kingdom government.

Mr. MATTHEWS: Are there many veterans in London and on the continent?

Mr. LALONDE: There are quite a few. Would it be agreeable to the committee if I provided that information at our next meeting?

Mr. MATTHEWS: Very good; thank you very much.

Mr. CARTER: Would you repeat that information for us; some of us did not hear the number of veterans overseas.

The CHAIRMAN: That information will be produced at our next sitting, Mr. Carter.

Mr. HERRIDGE: I might say I was in the London office in 1956, and while I was there at least a dozen veterans were waiting to see someone.

Mr. MACDONALD (*Kings*): Could you tell us, Colonel Lalonde, how the hospitalization is handled there; is it handled by the British department of veterans affairs and paid for by the Canadian government?

Mr. LALONDE: No, we have a senior treatment medical officer in the London office and he takes care of the examinations of veterans either for pension or treatment purposes. He is our liaison with the British hospital. They provide the beds; we pay for them. But the arrangements are made through our own Canadian doctor.

Mr. MONTGOMERY: Those are not private hopsitals. What I am trying to get at is they have free hospital services for their own people. Does the government pay to the hospital?

Mr. LALONDE: No. If the man is admitted for his pensionable disability, I believe we pay to the government directly. I am not sure of the exact procedure. Doctor Crawford would know about it.

Mr. CARTER: Have these veterans given up their Canadian citizenship? Are they British citizens now?

Mr. LALONDE: Some of them.

Mr. CARTER: They would be entitled to all the hospitalization benefits of the ordinary British citizen?

Mr. LALONDE: That is right; but I believe we have an arrangement covering pensioners only. Otherwise, they come under the hospitalization plan in the United Kingdom and we do not handle them unless they need treatment for their pensionable disability.

Mr. ROGERS: There would not be too many with pensionable disabilities over there?

Mr. MUTCH: As of January 21, 1959, there were 2,512. The year before there were 2,641, a drop of just over 100. The great majority of those are the ones who drop off from World War I. The World War II cases are inclined to grow. It is pretty constant in the last two years at 2,500; that is pensioners alone.

Mr. WEBSTER: What is the status of the Canadian pensioner who would leave the country, for instance, to go to the United States, and takes out United States nationality. Does he lose his Canadian pension rights?

Mr. MUTCH: No. The pensioner himself retains his pension rights for disability incurred during service wherever he goes. It follows him. We have arrangements in the United States, very extensive ones, with the facilities there where he is admitted when he needs to be admitted; they correspond with the treatment branch here and we authorize whatever is required for his pensionable disability.

Mr. CARTER: Would the same be true for a widow in Canada, should he die in the United States? If his widow is entitled to a pension, would she receive it in the United States?

Mr. MUTCH: In respect of the group to which you are referring, the answer is yes. It would not apply in the case of Newfoundlanders whose pensions were British and acquired prior to Newfoundland becoming a province of Canada.

Mr. LALONDE: The last item in the folder is the statement on appropriations and expenditures. The first column shows the amounts which are in the estimates book for 1959-1960. The next column shows the amounts which parliament appropriated last year. The next column shows not the actual expenditures, because the year is not over yet, but it shows our forecast of total expenditures for 1958-1959. There may be some errors in the amounts which we forecast, but we think those figures are pretty indicative of what our expenditures will be for this year.

Mr. MUTCH: May I interject. I should have added, when I answered Mr. Carter's last question, that the fact of a widow not being pensioned when she leaves Canada applies also to the widows of those Canadian-born veterans with no Canadian service, e.g. whose service was solely with the British. It is not restricted to Newfoundlanders, but to all in these circumstances most of them, however, are Newfoundland cases.

Mr. CARTER: I hope you can change that some time.

Mr. MUTCH: If you do we would be very happy to administer it.

Mr. HERRIDGE: Under the appropriate item.

The CHAIRMAN: Maybe, Mr. Herridge, I could make a comment on that at this time. I think we agreed we would restrict our question to general administration, leaving specific items to be dealt with when the heads of the various branches are before us. Now that we are brought back on the track, we will proceed.

Mr. PUGH: May I make a general comment?

The CHAIRMAN: Certainly, Mr. Pugh.

Mr. PUGH: Items 448 right straight through to 488, are all very, very close together last year and this year. I was wondering if Colonel Lalonde would care to make any comment on that? In other words, the department seems to be running on a very even gear.

Mr. LALONDE: This only relates to the administrative group at head office where it is perhaps easier to estimate than it is in the field areas. But I believe, as I said last year before this committee, that we have reached a more or less permanent level of activity in the department for the next five years at which time it is expected there will be a decline in the work of handling the problems of World War I veterans; then there may be another period of five years in which the work of the department will have declined slightly. But as veterans of World War II grow older it will pick up again and we consider our peak load will occur between 1980 and 1985. So that the amount mentioned for departmental administration is indicative, I think, of that trend.

Mr. MONTGOMERY: If there is no more war.

Mr. LALONDE: That is right.

Mr. PUGH: Would the present administrative set-up be able to handle half as much again? You mentioned a peak period in 1985. Would the same administrative set-up which we have now be able to handle that?

Mr. LALONDE: What you mean is the number of people employed?

Mr. PUGH: Personnel. Could they handle more?

Mr. LALONDE: That is hard to say. It is always possible, I think, to handle with the same personnel a variation of even 10 per cent in the volume of work; but if you go further than that I think you do need more personnel depending on how it happened.

Mr. PUGH: Would you have any idea, percentagewise, what the peak is for which you are prepared, say in 1985?

Mr. LALONDE: Perhaps I can stick my neck out now. I do not think we will need any great increase in personnel because by 1985 the accent will be on certain aspects of the work such as treatment, welfare problems of older World War II veterans; but there will be less problems remaining. For instance, straight rehabilitation benefits will by then have disappeared. There will probably be a lot less problems for the Veterans Land Act and so on, so the volume ought to be about the same although some of the personnel may have to be directed to other fields.

Mr. CARTER: Have you attempted to anticipate expenditures say for a ten or twenty year period?

Mr. LALONDE: No. We think that would be crystal gazing. Of course, a great deal depends on what legislative changes parliament makes in the veterans' legislation. Just to give you an example, the last amendments to the War Veterans Allowance Act have made quite an increase in the volume of recipients whom we have to look after and process. That volume of work has increased a great deal in the last few years. We have handled it with the same staff.

Mr. BROOME: Do I infer from that that there is a continuing survey going on through all offices in respect of standardization of procedure and more efficient methods of operation within the offices themselves.

Mr. LALONDE: Yes. It is borne out by the fact that we now have in the department a division which is shown on your chart as the methods and inspection division which we set up last year to replace what we formerly had as a straight inspection function. We are now using that division primarily to study our methods and procedures. The inspection aspect of it is only to help them find out what is going on so as to improve methods.

Mr. BROOME: Do they have authority to go into district offices?

Mr. LALONDE: Very definitely. Actually, they work directly under the assistant deputy minister. I might explain the way we operate within the department. In order to have a clear-cut division of functions, ideal with policy of any kind, whether it is legislative or administrative policy, and Mr. Mace looks after the administrative detail. So the methods and inspection division comes directly under him, reports to him, and he assigns them wherever, in his opinion, there is a spot to be studied.

Mr. BROOME: Do you use outside consultants at all in that field?

Mr. LALONDE: We have not since we have had our own methods division, except that we have in certain instances used the methods division of the Civil Service Commission because our people were too busy.

Mr. ROGERS: These estimates seem to indicate a reduction of staff. Is that so?

Mr. LALONDE: Actually, the total staff in the department is exactly the same as last year. There is a reduction in the administrative vote of around $3 million. This is due in great measure to the advent of the federal-provincial insurance plan which will permit us to collect from the plan in certain cases where we did not previously. So our revenue will increase, we hope, and this will mean that our cost of administration will thereby be decreased accordingly.

Mr. BADANAI: Under district services administration, has the department given any consideration to paying an allowance instead of purchasing motor vehicles? The complaint now is to make allowances on a mileage basis rather than to purchase an automobile for the staff.

In this item you have an expected expenditure for 1958-59 of $79,000 on the subject of motor vehicles.

Mr. LALONDE: There are no vehicles under departmental administration.

Mr. BADANAI: Then what do you mean by that?

The CHAIRMAN: We are considering item 448 for the moment. I believe your query would come under 449, Mr. Badanai.

Mr. LALONDE: Yes.

The CHAIRMAN: Perhaps we can reserve that question until we come to item 449.

Mr. CARTER: I notice that the allocation for the corps of commissionaires is down, and that your estimated expenditure for this current year is much less, considerably less.

The CHAIRMAN: The item is 448.

Mr. CARTER: That is departmental administration.

Mr. LALONDE: That is right. Your question is: why is the expected expenditure less than the estimated amount last year? We are now asking for more money for next year.

Mr. CARTER: No. I am not particularly interested in that. Has there been any reduction? How does it happen that there is a difference in your actual expenditures?

Mr. LALONDE: It is because at the beginning of the year the x-ray film library was moved to a building in Hull. We had put in the estimates a certain amount for the commissionaires services in that building in anticipation of the move. But the Department of Public Works made arrangements in the lease. They had an item covering protective services. So they informed us of that item and we decided not to have a commissionaire.

For a period of time we did not have a commissionaire. But after a few months we found that it was not working, so we reinstated the commissionaire. However, in the meantime there was put in an estimated amount, and that amount stands because there was a gap during which no commissionaire was paid for that work.

Mr. CARTER: It looked to me as if you anticipated increased expenditure, but it actually did not materialize. I wondered what the plans were. Can you say what you paid these commissionaires?

Mr. LALONDE: Yes. We paid them the rate for Ottawa which is $1.19 all told, and which includes $1.10 for the commissionaire, and nine cents for the administration of the corps.

Mr. HERRIDGE: I think most of the committee know that the corps of commissionaires was formed many years ago, commencing in Great Britain, to provide some employment for ageing veterans.

A few years ago I discovered that a civilian, without any service whatever was employed as a member of the corps of commissionaires, and was actually employed by the Department of Veterans Affairs. When that was brought to the attention of the department, the situation was corrected.

Can the deputy minister assure us that all commissionaires employed by the Department of Veterans Affairs are men who have had military service?

Mr. LALONDE: That is a difficult assurance to give, because as you will understand, I do not personally know all those who are members of the corps of commissionaires. All I can say is that I believe, truthfully, that the corps of commissionaires has not, since then, tried to place any non-veteran in work to be done for the department. Otherwise I would have heard about it.

They may have non-veterans in jobs which they do for civilians, but I have no control over that, and neither does the department. As a matter of fact fifty per cent of their work is done for firms other than governmental departments.

Mr. CARTER: There is nothing in the constitution or charter of the corps of commissionaires to prevent them from taking any civilians.

Mr. LALONDE: I do not think so.

Mr. HERRIDGE: I looked up this matter very thoroughly when an old veteran came up to me from the Department of Veterans Affairs and said there was a man employed in that block who had never had any service. I believe Mr. Parliament investigated the matter at the time and the situation was corrected immediately. But I wanted to make sure that it would not recur.

Mr. LALONDE: That happened before my time; but I believe that when the corps was formed, it was formed under a government charter for the purpose of assisting older veterans in employment. While this was evidently the accepted purpose, I do not think there was any prohibition mentioned in the charter; in other words, there was no negative clause in the charter. There was however a positive clause to employ older veterans.

Mr. CARTER: Following up this commissionaire subject, I understand that there is a quite wide discrepancy in the rates paid to the commissionaires, depending on the region where they are employed. I think there is quite a discrepancy between the wages of a commissionaire employed in Ottawa as compared to one employed in Montreal doing the same job. That sort of thing worries me considerably. I think as far as veterans are concerned we should try to see that they get equal pay for equal work.

Mr. LALONDE: What you say is perfectly true, Mr. Carter. The rates paid to commissionaires vary with the area in which they work. This, of course, is justified, if you look at it on a practical basis.

In the same way there are civil servants who are paid different rates for doing the same work in different cities. We call them prevailing rate employees. Most of these people are doing a specific kind of work, and they must be interested in seeking that type of employment in the city where they live, by competing in the open market with other employees.

So if the corps of commissionaires were to pay its members the same rate everywhere, necessarily they would have to strike a medium rate for Canada, in the same way the Civil Service Commission has to strike a medium rate for all classified civil servants across Canada. They do not pay the highest rate, nor do they pay the lowest rate. They pay a medium rate.

So if you did that with the corps of commissionaires, people in Vancouver would not work for you, while the people in Halifax would be very happy. The people in Ottawa would be very happy, but in Toronto they would not. So that the corps would be cutting its own throat in certain areas by following that practice.

What they are attempting to do now is to meet a market rate for that type of employment in the local areas. And while it is true that the commissionaires in various parts of Canada do not get the same salary rate, the salary rate which they do get is based on local conditions.

If they live in Vancouver where labour is more expensive than in Halifax, they get a rate which will compensate them by comparison with other people who do the same kind of work.

In Halifax they will also get a rate which will compensate them on the same basis. There are a great many factors involved.

Mr. CARTER: I have two points which I would like to develop with Colonel Lalonde. The first point is this: who determines this rate? Is it done by your department, or is it done on the advice of the Department of Labour?

Mr. LALONDE: The latter is right.

Mr. CARTER: If that is so, then my second point is this: I think that in determining that rate, the Department of Labour very often takes too small a region. I do not think that the variations in the maritime provinces are so great as to demand one particular rate for Nova Scotia, another rate for New Brunswick, a different one for Prince Edward Island and another one for Newfoundland. I think that the maritime should be taken as a single region.

I have heard that complaint not only amongst the commissionaires, but amongst prevailing rate employees employed by the federal government.

Mr. MONTGOMERY: I am afraid I must disagree with Mr. Carter. I think that the prevailing rate as such is a very sensible and sound idea because it does give to the corps of commissionaires a chance to employ many veterans who otherwise would not be employed.

Industry is not just going to employ somebody unless it can afford to do so. Where there are different rates set, then the commissionaire would very normally get the job, even though he got a few cents an hour less than he might have got in a town fifty miles away. I think the system used is a sound and practical one.

Mr. CARTER: I do not think Mr. Montgomery understood my point. My quarrel was that in determining these prevailing rates the Department of Labour took too small a unit, and I suggested that we should have one unit for the maritimes and not three or four separate ones.

Mr. LALONDE: I am not qualified to answer that point. The only thing I could say on it is this: as I have said at the beginning, fifty per cent of the work done by the corps of commissionaires is done for outside employers. The rate is set by the treasury board on the recommendation of the Department of Labour and it applies only to government contracts.

I have not heard of any great discrepancy in any city between the rate paid the commissionaire working for the government and that paid the commissionaire working for a private employer.

I think that the Department of Labour—if they have not hit it on the nose—have come pretty close, because employers are willing to pay the same rate.

As Mr. Montgomery said, if the rate we pay is too high, then civilian firms would not employ commissionaires; they would go out and hire their own people.

Mr. CARTER: I do not think that is entirely true, because the commissionaires are performing certain duties which ordinary people do not want to perform.

The CHAIRMAN: I think Mr. Macdonald has a comment to make, and then Mr. Speakman, and then Mr. Pugh. Now, Mr. Macdonald.

Mr. MACDONALD (*Kings*): Mr. Chairman, on that point I would like to make this comment: I think Mr. Carter is a little bit in error in that view, that the labour unions have objected to the fact that the corps of commissionaires are being paid an almost comparable rate, whereas they are in almost a preferred class. I know that is the objection on the part of labour in my area; and the corps of commissionaires—most of the personnel—some of them do not realize it, but they are getting a real break. They may be getting a little less than the ordinary wage rate, but this should not be given too much emphasis, otherwise they may lose their preferred position.

On this point, Mr. Chairman, I think it is generally understood that all this money under 488 in regard to the Canadian Corps of Commissionaires services is for the employ of corps of commissionaires personnel at government offices here. I wonder if Mr. Lalonde would explain to us briefly the set-up of the corps of commissionaires in relation to the Department of Veterans Affairs. Among some veterans there is a feeling they are employees, which, of course, is entirely wrong. In our area the district administrator also administers the corps of commissionaires. Would you please clarify this matter for us.

The CHAIRMAN: Before we proceed to that point I think there are general comments on the subject raised by Mr. Carter.

Mr. SPEAKMAN: May I say this: I had occasion to study the charter of the corps of commissionaires and they work under contract and charge on a contract basis to their employer. My recollection—and I believe it is correct—is that their scale of salaries is based on provincial minimum wage laws, and the corps themselves set their contracts on that basis.

The CHAIRMAN: Mr. Pugh?

Mr. PUGH: That has pretty well answered my question. However, there is one further matter: do the commissionaires who are employed give full value for the money paid out?

Mr. LALONDE: I can speak only from our own experience. Most of the commissionaires whom we employ work either in our head office here or

in our hospitals across the country. We are quite satisfied that we could not get the same type of service if we employed people who are not grouped into an association. The way the corps operates, and the fact that they are members of a corps and are in uniform, has been most helpful.

Mr. PUGH: That certainly bears out the situation in British Columbia; we have the same comment out there.

Mr. LALONDE: We do not think we would achieve the same results if we were employing, let us say, a receptionist.

Mr. BROOME: Mr. Chairman,—

The CHAIRMAN: Is it on the subject?

Mr. BROOME: No.

The CHAIRMAN: Mr. Macdonald had a general question which we could take care of now.

Mr. LALONDE: The corps of commissionaires operates as a separate entity. They have a headquarters in Montreal with a board of directors composed of five or seven members, I am not sure which, but recruited from across Canada. Then they have provincial headquarters in each province, I believe. As far as the department is concerned, all we do is pass a contract with the corps to provide so many hours of service to cover so many posts at the rate laid down by treasury board. If they accept that contract they provide the men and we have no authority over those men. If, for example, one of them gets out of line or does something which he should not have done, we have no disciplinary powers over that man. We must report him to his commandant, and the commandant deals with him as a member of the corps, not as a member of the Department of Veterans Affairs.

Mr. BROOME: I wanted to go back to this methods and inspection division; I assume that is part of 448.

Mr. LALONDE: Yes.

Mr. BROOME: And it has been in operation just about a year. I was wondering whether you anticipated any savings from this department. I am rather concerned as to the over-all growth of the civil service. It does grow and, as an outsider, I think there is room for increased efficiency in government departments; this looks very much like a step in the right direction. I was wondering whether you anticipated an increase in efficiency and lower costs?

Mr. LALONDE: Our experience in the past year, Mr. Broome, is that the methods division has not been able to achieve a great deal. We conducted a competition to fill the position of chief of that division, and this man has been studying the set-up of the department. I think he knows enough now to make a useful contribution. Mr. Mace has given him certain specific tasks which have resulted in better procedures. We are certain that there will be a lot more instances in the next few years where this division will recommend to us changes in our administrative set-up. They will recommend changes in procedures which will enable us perhaps to amalgamate functions and reduce staffs. How far that will go, I cannot say at this time; but very definitely we are convinced that it will pay not only for itself but it will pay dividends in the long run. When you go through the various items in the estimates you will notice that there has been a decrease in staff—

Mr. BROOME: What would be the total number of employees?

Mr. LALONDE: —in most of our administrative directorates; but that has been absorbed by an increase in treatment staff. We are still short of personnel in treatment.

Mr. BROOME: I can understand that.

Mr. LALONDE: So that whatever we can find elsewhere, we try to use those positions to fill a need in the treatment services. I think the minister indicated at the beginning that treatment service was fast becoming our largest operation. That is understandable. In the process, of course, it requires certain adjustments and Dr. Crawford will be explaining to you why he needed those positions we found for him elsewhere.

Mr. WEICHEL: I was going to ask whether the headquarters of the Canadian Corps of Commissionaires in my district is in Hamilton?

Mr. LALONDE: They have a command there.

Mr. THOMAS: I have another question in connection with inspection methods. Is that shown here in the estimates? Is there an item for that?

Mr. LALONDE: Not a separate item. It is included in the salaries, because there are no other expenditures. They are set out in the details of the estimates.

The CHAIRMAN: The details are found at 549 of the blue book.

Mr. SPEAKMAN: To go back to Mr. Broome's question, the deputy has indicated there are a certain number of vacancies existing in the treatment service. Do these vacancies require certain skills?

Mr. LALONDE: Most of them are nurses and nursing orderlies. Some of laboratory technicians.

Mr. ROGERS: Mr. Chairman, I was just wondering, in view of our discussion last year on distribution of campaign stars and so forth, what progress has been made?

The CHAIRMAN: Before the deputy answers that question, would he answer Mr. Thomas' question.

Mr. LALONDE: You see we have set up the position of chief, methods and inspection division, at page 549. He will receive a statutory increase this year. That is the reason why there is a difference between the amount for last year and this year. Then we have a position of administrative officer, grade 2. We had three last year and we now ask for four. That is in order to provide one position of assistant to the chief of methods. He is an additional methods officer. So you can see that we are gradually building up this section. As a matter of fact, we started out only by employing a chief of the methods division until he could find out what was to be done and whether or not he could do it himself, or whether he would need some help. Now he has come to the conclusion he does need more people.

Mr. PUGH: What would be the total number of employees?

Mr. MACE: For what?

Mr. PUGH: For the whole department.

Mr. LALONDE: The figure I am going to give you includes the Canadian Pension Commission, the War Veterans Allowance Board and the Veterans Land Act. The total staff employed as of the 31st of January, 1959, was 13,764, and of that 9,892 were in treatment services.

Mr. MONTGOMERY: May I just follow up, Mr. Chairman, with that question? In these salaries under "department", does that include the London office employees?

Mr. MACE: London, England?

Mr. MONTGOMERY: Yes.

Mr. LALONDE: It is in vote 449.

Mr. HERRIDGE: Would the item "publication of departmental reports and other material—$3,500", is that the cost of publishing the departmental report which the members received?

Mr. LALONDE: No, Mr. Herridge; there is a separate item for that. Are you talking about the $3,500?

Mr. HERRIDGE: Yes.

Mr. LALONDE: Yes, that is the annual report which is tabled in the house each year.

Mr. HERRIDGE: That is the amount paid to the Queen's printer?

Mr. LALONDE: Yes.

Mr. HERRIDGE: That is a very modest sum.

Mr. LALONDE: We are told each year to put just so much in the estimates for the annual report.

Mr. HERRIDGE: How many copies are normally printed?

Mr. LALONDE: I forgot to introduce to you another of our departmental officials, Gordon Way, our chief of information. Do you have that figure in relation to the annual report?

Mr. WAY (*Chief of Information, Veterans Affairs*): No.

Mr. LALONDE: Could we provide that at the next meeting, Mr. Herridge?

Mr. HERRIDGE: Certainly.

Mr. PUGH: May we have the distribution as well?

Mr. LALONDE: Certainly, number and distribution.

The CHAIRMAN: We have a question pending for Mr. Rogers. Are you on this subject?

Mr. THOMAS: No, I wanted to raise item No. 2—allowances.

Mr. ROGERS: In view of our discussion last year in committee about the distribution of war medals, I was wondering whether any progress has been made in that direction?

Mr. LALONDE: Well, Mr. Chairman, in view of the fact that there has been a certain amount of publicity about war medals and, I feel, a certain amount of misunderstanding, would the committee be interested in a short review of the background of this problem and the progress we are making?

Mr. HERRIDGE: We certainly would. Let us get the facts so the press will know them.

Mr. LALONDE: After World War II there were 1,060,000 veterans who were eligible to receive one or more medals. The total number of medals struck was 3,146,858. These became available for issue on October 1, 1949, in other words three years after the end of the war. At that time the decision was made to start distributing them right away because it would have taken years to engrave them with individual names, and of course it would have complicated the distribution process.

At that time the department was faced with a decision as to how they were going to make the distribution of these three million medals. The medals were struck at the request of the Department of National Defence and the Department of Veterans Affairs had many discussions with the Department of National Defence. It was agreed that the Department of Veterans Affairs, because it had inherited the war service records, would be the distributing agency.

At that time the Department of Veterans Affairs was told by the Department of National Defence that distribution of medals of former conflicts had always been made by using the system of applications by those who were entitled to the medals. In addition to that the department at the time felt that the process of distributing medals three years after the war would be complicated by the fact that a number of veterans had been moving around right after the war and a lot of the addresses which we had on file might not be the

correct ones. They were also faced with the problem of getting the medals—because bulk was involved—to the right people.

Rightly or wrongly the decision was made, with the consent of the Department of National Defence to use the system of filling out applications for the medals. To obviate the difficulty in respect of addresses, it was decided to register the parcels. That worked very well, because all veterans who applied gave their new address and the medals were posted by registered mail to that address. But it was a slow process for two reasons. You had to wait for the application card to come in and also you could not swamp the post office with registered parcels all at one time.

To complicate matters a little further, the Royal Canadian Air Force decided to issue their own stars which they did in 1950. So the department then had to ask one more question on the application form which it never intended to ask. It became necessary to ask "what medals do you already possess?" That was because some of the veterans had already received some medals directly from national defence.

This went on for a number of years. By January of this year 560,000 World War II veterans had received the medals to which they were entitled. This covered a total of nearly two million medals, leaving us with approximately one million unclaimed medals of which 500,000 were war medals and 400,000 were Canadian Volunteer Service medals. The Canadian Volunteer Service medal is governed by the following terms of eligibility: 18 months voluntary service in the Canadian forces between September 1939 and March 1947. The war medal covered 28 days service anywhere between September 3, 1939 and September 2, 1945. Those are the two medals which are really left for distribution now. About four years ago the administration became concerned with the number of these unclaimed medals.

We decided to run a series of tests to find out what would be the best way of handling this situation. We started out by advertising in what we considered to be the most thickly veteran-populated area, Toronto and London, and we advertised in three Toronto newspapers and one London newspaper for two days. This cost us $2,272 for two ads in four newspapers.

As a result of this advertisement, we received 8,000 additional applications. We considered at that time that 8,000 applications in the most thickly populated area in Canada, as far as veterans are concerned, would mean that a small percentage of those who have not already applied would apply if we were to run an advertising campaign in all the newspapers across Canada.

The cost of running the same advertisement in only the daily newspapers in Canada for two days would be around $18,000. We had no choice; we do not have that much money in our budget for publicity purposes. So we looked elsewhere to find a solution. We began on a trial basis the distribution of medals without application. In other words, we changed the principle which had been used for all distribution of medals previous to last year. In this trial we used two methods: we dispatched one thousand shipments per month for four months. In July and August, 1958, we sent a number of registered parcels and a number of unregistered parcels and we kept track of the two types to see whether it was necessary—if we were going to use the addresses which we had on file, although they sometimes dated back a long time—whether it would be necessary to use registered mail in every case, or whether we could trust to the information we had on file.

Surprisingly enough, of the 4,000 parcels dispatched in that fashion, the proportion of those that were returned was the same between registered mail and unregistered mail. So we said: we think that is the best solution. Let us put a number of our clerks to go through the files of these people who have never applied for their medals. Let us get the last address that it is possible to get from the information which we have, and let us mail these medals to those addresses.

If they are not returned, we shall assume that they reached the person at the right address. If they are returned, we shall have to do more searching.

But in the meantime we shall be able to increase the number of parcels which we can send every month, provided the post office is willing to take them, and in that way distribute quite a number of medals, even to veterans who have not asked for them, but who may be glad to get them without having to sign an application form.

We have stepped up our dispatch of parcels now to a little over 2,500 a month, and I think that within the next year we shall be able at least to double that amount.

The percentage of parcels returned to us as undelivered is one in five. That is not too bad. So we propose to increase our distribution to a number which we can handle and which the post office will accept by sending out first of alls parcels to those who are entitled to three medals or more, and then once we are through with that, we shall send them out to all those who are entitled to two medals, and finally to those who are entitled to one. In this way I hope that within a few years we shall be able to mail out all the medals to everybody.

Mr. BADANAI: Until the next war!

Mr. MONTGOMERY: Do you get back any receipts?

Mr. LALONDE: We did not think that once the package had been delivered, the veteran would bother sending us a receipt; so it might be misleading more than anything else.

Mr. WEICHEL: Are those application cards still made available at all post offices?

Mr. LALONDE: Yes. There may be some places which do not have them any more. But for the most part they are available in all post offices. We are still getting some.

But in view of the new system, we feel we should handle everything we can right now in dispatching those parcels; and then when we receive the ones we get back eventually, I think we will have to find a means of getting these people to tell us where they live. It may be through another card or it may be through a modified form of publicity.

Mr. WEICHEL: Do you not think that the post offices should have these cards on hand at all times?

Mr. LALONDE: Well, there is no objection to that. The point is that as far as we are concerned, if we have the address, we do not need an application. It is only in those cases where the parcels are returned because they are mailed to the wrong address, that we will need an application. But I think we shall have to devise a new form—not the same as the old one.

Mr. WEICHEL: When I was in the post office we would have a chap coming in and asking if we had a card to mail about the medals; and he would say: I forgot to give you a card, so I had better give you one.

Mr. LALONDE: In those days they had to fill out a card.

Mr. ROGERS: What about putting up a notice in each post office?

Mr. LALONDE: You mean a poster?

Mr. ROGERS: Yes, just a simple poster.

Mr. LALONDE: We have thought about that; it might bring in a few applications.

Mr. ROGERS: It might be effective in the case of those who are interested; but there are quite a number who are not interested.

Mr. LALONDE: I am afraid that it would be about one tenth as fast as the procedure which we are attempting to use now.

Mr. WEICHEL: In my opinion only about ten per cent of people look at the notice boards in the post offices.

Mr. SPEAKMAN: I wonder if the department has given any thought in view of the fact that approximately twenty per cent of the parcels are being returned, about enquiring of the Legion for perhaps a closer address? I have found that the legions throughout the country keep a fairly close track on veterans in their area.

Mr. LALONDE: They would only know about the members of the legion. I am inclined to think that the members of the legion have already applied for and received their medals.

Mr. SPEAKMAN: I must disagree with you, because I know that in my own particular branch there are, I would say, perhaps two dozen or more people who could have been recipients of one or more—sometimes of as many as three of those medals—yet they have not bothered to apply, and I think that no amount of coaxing will get them to apply. But what I am thinking about is the amount of parcels which you get returned.

Mr. LALONDE: That is right.

Mr. SPEAKMAN: Because, in the case of my own branch, we know pretty well the names of every veteran in our area despite the fact that he may not be a member of that branch. We feel it is our duty.

Mr. LALONDE: That is a suggestion for which I am thankful, Mr. Speakman. I think what we will have to do is to make up a list of those returned parcels and find out from the dominion command of the legion how they might help us.

The other idea is also a good one: the idea of giving some publicity with respect to those who have not received their medals. But I wonder if that publicity should be done at this time.

We are in the process of dispatching medals at as fast a rate as we can possibly do it, therefore I would prefer to wait until we had distributed the bulk of the medals to a number of people and then look after those whom we may have missed in the meantime.

Mr. CARTER: How many names are there on your file who have not applied for or recived their medals?

Mr. LALONDE: There are about 400,000 who have not applied yet.

Mr. CARTER: Have their names been printed in the papers or anywhere?

Mr. LALONDE: No. But if it costs $18,000 for a small advertisement in all the newspapers, it would cost a fortune to get all the names printed.

Mr. ROGERS: There is one right here. I mean Mr. Pugh. You can take his application right now.

Mr. PUGH: Further to what Mr. Speakman has said, it would seem to me that we have two types of veterans, the rural and the urban. In the case of the rural, I can speak for them and say that veterans do keep in touch with one another, even though they may not be members of the Legion. If anything in the nature of dues comes along they say: get hold of Charlie or someone else—and they manage to bring him in. I think the Legion in rural districts could look after those without medals, if pressure was put on the Legion to do this as a service. The same is not the case in towns.

Mr. LALONDE: That is what I meant when I said I would like to get in touch with the dominion command, and find out from them. We have to deal with them and we could find out if, through their branches, they could help us out. I have to admit that it is a problem which has given us many headaches. It was not as easy to solve as it appeared to some people.

The CHAIRMAN: Now, gentlemen, I do not want to bring this instructive discussion to an abrupt conclusion. I see there are one or two members who

wish to make a further contribution. However, we should try to conclude by twelve-thirty. Mr. Weichel, have you a question?

Mr. WEICHEL: When you inform the Legion, it might be a good idea to inform the army, navy and air force organizations, the Canadian Corps and the amputees; they are different organizations who would help.

Mr. LALONDE: Yes, that is right. We should get all the organizations to help us out. The big question now is when should we make that move. Should we make it now, when we think we have enough useful work for a couple of years?

Mr. WEICHEL: It might be a good time about a week before a lot of them have their Vimy Ridge dinners.

Mr. LALONDE: That is pretty soon.

Mr. MACDONALD (*Kings*): I was going to suggest, Mr. Chairman, that I was rather surprised to see that the appropriation for advertising or publicity was quite small. I was going to say that probably the Legion could run an advertisement without too much expense, and if you asked them they would likely write a feature article. A lot of the membership committees of the Legion are in touch at least with all veterans in their areas because they are soliciting memberships. They do have a wide coverage. I think that would be one method supplemental to what you are doing, to help you get the medals out faster.

Mr. LALONDE: I can say this, that we have been conducting various experiments with respect to this distribution. We have pretty well made up our minds as to what we thought would be the best way of handling it. However, we did not make any move to publicize it, because we knew it would be discussed in this committee and we did not want to go after this until it was placed before the committee and found out what the reactions would be.

The members of the committee appear to agree with the suggestion, so we are really going to go to work on it.

The CHAIRMAN: Now, gentlemen, just before we have a motion to adjourn, I would like to say we are still on item 448, and it appears that you want that item kept open.

Mr. BADANAI: May I ask a question in regard to item 449, automobiles?

The CHAIRMAN: Could we tackle that at our next meeting?

Mr. BADANAI: I will not be here next Monday; I expect to be out of the city. It will not take very long.

Mr. ROGERS: Could we conclude 448?

The CHAIRMAN: No, just a moment.

Mr. LALONDE: Item 449, departmental vehicles, covers those vehicles which serve an all-round purpose. Most of them are ambulances, trucks and a few passenger vehicles that run a shuttle system between our district offices and the hospitals.

Mr. BADANAI: They are not vehicles furnished to employees or for members of the department?

Mr. LALONDE: In very few cases. Most of the employees use their own vehicles and receive a mileage allowance.

Mr. BADANAI: That is what I mean.

Mr. LALONDE: Oh, yes; that is, the great majority of our employees.

Mr. BADANAI: That is what I wanted to know; thank you very much.

Mr. PARIZEAU: Is it still at five cents a mile?

Mr. LALONDE: Eleven cents and thirteen cents. Those who travel only occasionally receive only four cents a mile. That is usually what the deputy minister receives, because he travels only occasionally.

The CHAIRMAN: We have made a good beginning this morning, gentlemen, and Mr. Lalonde has assured me that Mr. O'Leary and Mr. Pugh will be getting their medals.

Mr. SPEAKMAN: Also Mr. Carter; his address is the House of Commons.

The CHAIRMAN: I think perhaps we can arrange for formal presentation at our next sitting.

We will hold item 448 open and, if we have your permission, we will meet again at eleven o'clock on Monday morning. At that time it appears that we might proceed to treatment services and welfare services.

Mr. LALONDE: Are you going to take them in that order?

The CHAIRMAN: Yes, in consecutive order.

Mr. LALONDE: Very well.

The CHAIRMAN: Yes, and we might get as far as treatment services and welfare services.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

RECEIVED
MAR 10 1959

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

Estimates 1959-60 on the Department of Veterans Affairs

MONDAY, MARCH 2, 1959

WITNESSES:

Dr. John N. Crawford, Director General, Treatment Services, Department of Veterans Affairs; Mr. Lucien Lalonde, Deputy Minister; Mr. F. T. Mace, Assistant Deputy Minister; Mr. C. F. Black, Secretary of the Department.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

20649-0—1

STANDING COMMITTEE ON VETERANS AFFAIRS

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

and Messrs.

Badanai	Herridge	Peters
Batten	Jung	Pugh
Beech	Kennedy	Roberge
Benidickson	Lennard	Robinson
Broome	Macdonald (*Kings*)	Rogers
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 112-N.
MONDAY, March 2, 1959.

The Standing Committee on Veterans Affairs met at 11.00 o'clock a.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Broome, Carter, Dinsdale, Fane, Herridge, Kennedy, Macdonald (*Kings*), MacRae, Matthews, McIntosh, Montgomery, O'Leary, Ormiston, Parizeau, Pugh, Roberge, Rogers, Speakman, Stearns, 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, Acting Chairman, Canadian Pension Commission, C. F. Black, Secretary of the Department, J. E. Walsh, Director of Finance, Purchasing and Stores, with his assistant Mr. A. F. Graves; Mr. J. G. Bowland, Research Adviser, Mr. G. S. Way, Chief of Information, and Dr. J. N. Crawford, Director-General, Treatment Services.

Consideration of Item 448 was continued.

Mr. Black gave answers to questions asked at the previous sitting.

Mr. Lalonde was called. He was assisted in his examination by Mr. Mace, the Deputy Minister.

Item 448 was allowed to stand.

Messrs. Pugh, O'Leary and Carter were presented with campaign stars and medals by the Minister, the Honourable A. J. Brooks.

Item 449 was considered with Mr. Lalonde and Mr. Mace under questioning. Whereafter the item was approved.

Item 450 was allowed to stand.

Item 451 was considered, with Dr. J. N. Crawford as principal witness. He was assisted in his examination by Messrs. Lalonde and Mace. Whereafter the said item was approved.

Items 452, 453, 454 and 459 were severally considered and approved.

At 12.50 o'clock p.m. the Committee adjourned to meet again at 10.30 a.m. on Thursday, March 5th, 1959.

Antoine Chassé,
Clerk of the Committee.

20649-0—1½

EVIDENCE

MONDAY, March 2, 1959.
11.00 a.m.

The CHAIRMAN: We have a quorum, gentlemen, and we can now proceed with the discussion where it was left off the other day. We were still on the first item, 448, found on page 81 of your blue book, and the details on page 549.

We have the minister with us this morning for a short time. This is a visit we did not anticipate, sir, and we are glad to have you here. When the committee rose the other morning I believe we were dealing with the subject of unclaimed medals. I do not know whether or not that subject has been concluded. We discovered there were three members of the committee among those who had not been suitably awarded medals and we hope at some time during our sittings this morning to have their medals presented.

Shall we carry on with item 448? Are there any further questions on item 448?

Mr. LALONDE: Mr. Chairman, there were two questions which were unanswered at the last meeting. I would ask Mr. Black, the departmental secretary, to provide the answers to those questions.

Mr. C. F. BLACK (*Departmental Secretary*): Gentlemen, Mr. Matthews asked how many veterans are in the United Kingdom or are serviced by the departmental district office in London, England. We are unable to maintain, of course, an exact census of the veterans in the United Kingdom, but our best estimate is 20,000 veterans for whom our London, England, office is responsible.

The other question, asked by Mr. Herridge, was in respect of the annual report of the department, published by the Queen's Printer on information provided by the department. Each year we order 500 copies of the report in English. The cost of the 500 copies of the 1957-58 report was $1,659.67. Of this 500 copies, 354 have been distributed within the department, 32 outside the department to the various veterans organizations and the British Ministry of Pensions and one or two other agencies. The remaining 114 copies are in the departmental stores. In addition, I understand the Queen's Printer prints 200 copies for free distribution to those who are entitled to, and ask for, them, and a further 100 copies are printed for sale at 25 cents a copy.

Issue of the French edition is delayed, due to the necessity for translation. The last report which was issued in French is for 1956-1957. The department orders 50 copies of which 21 have been distributed within the department, 2 outside the department, and 27 remaining in stores. The cost of these 50 copies to the department was $1,641.78, which does not include the cost of translation which is done by the bureau of translations. I believe the Queen's Printer prints an additional 40 copies of the report in French for distribution similar to that explained in respect of the English copies, and a further 35 copies for sale at 25 cents each.

Mr. MCINTOSH: I have a question I would like to ask in respect of gallantry awards. I think I wrote the department for a definite answer. Should I leave this question until we arrive at that item?

The CHAIRMAN: That would be preferable.

Mr. ORMISTON: May I ask a question on rental of office machines?

The CHAIRMAN: Yes.

Mr. ORMISTON: I would like to know what type of machines are included in this item?

Mr. MACE: This is basically the rental of the I.B.M. Hollerith machines which service the whole department. I can assure you they are kept very busy. You do not purchase these machines; you cannot purchase them.

The CHAIRMAN: Are there any further questions on the first item?

Mr. CARTER: Could Mr. Lalonde give us some idea of the kind of publicity which is found necessary for the department apart from advertising? Do you have to print posters? What would be included under publicity?

Mr. LALONDE: The largest single item of expenditure under publicity is the printing of the booklets which explain in layman's language some of the acts with which the veterans are constantly concerned, such as the Veterans Land Act, the Children of War Dead (Education Assistance) Act, the War Veterans Allowance Act and the treatment regulations. We have had to reprint those at periodic intervals because of amendments to the acts or to the regulations. As far as next year is concerned, as the minister has indicated, the Veterans Land Act will be amended and we will have to reprint that booklet. We will also have to reprint the treatment booklet because of certain changes in the regulations and because of the advent of the national health insurance plan. Six thousand dollars are earmarked for that. Also the booklet on veterans insurance will have to be reprinted, as the Veterans Insurance Act was amended last fall.

We have what we call quarterly advertisements in veterans publications such as The Legionary, The Advocate, and The Torch. The Fragment, I believe, is the other one. This costs us $4,000 a year. These advertisements—you may have seen some of them—deal entirely with up-to-date information which is provided to veterans about the different subjects covered by the charter.

Good-will advertisements cover things such as the I.O.D.E., convention programs for the Legion, of which there are a number every year, and they are estimated to cost $1,200. So that out of the total vote the three main items are printing of booklets, the quarterly advertisements in veterans' publications and the odd publication in either veterans' magazines or convention programs.

Mr. CARTER: I was not especially interested in the amount allocated because it is only a very small amount for the total publicity program. However, I was interested in the nature of the publicity which you had in mind. Could you tell us how you obtain as wide as possible a distribution of these pamphlets? What steps do you take?

Mr. LALONDE: Every time we issue a new or amended pamphlet we distribute some through our district offices. We have a special distribution through branches of all veterans' organizations. In other words, let us say there are two thousand branches of the Legion, we will send so many copies to Dominion Command for distribution to each branch.

We also make distribution direct to certain types of persons. For instance, when we reprint the war veterans allowance booklet, we will send a copy by mail to each war veterans allowance recipient. The Veterans Land Act booklet will be distributed by the field men to those who are established under the Veterans Land Act. In the main, the distribution is through the district offices, the veterans' organizations and direct through the mails to interested persons.

Mr. CARTER: Thank you.

The CHAIRMAN: The gentlemen who were here on the committee last year will recall we followed the device of leaving the first item open until such time as we had heard from the various delegations. If it is your wish

we will follow the same procedure this year. It gives us the necessary procedural reference to hear these people. If that is the wish of the committee, perhaps we might move to item 449.

449. District Services—Administration— $3,271,281

Mr. SPEAKMAN: I would like to ask one question under campaign stars, medals and so forth. Has the department ever considered what the cost would be of including on the medal the name and the regimental number of each recipient of these medals.

Mr. LALONDE: Do you mean to engrave the medals?

Mr. SPEAKMAN: Yes.

Mr. LALONDE: The decision not to engrave was made prior to 1949. I do not think very many of us were there at the time. I am not sure whether we have an estimate of the cost, but at that time it was decided not to do that, presumably not because of the cost but rather because of the delay. Of course, at this stage it would be impossible to call back all the medals and have them engraved.

Mr. SPEAKMAN: What I have in mind is this. At that time I think a good deal of the reluctance in applying for the medals perhaps was engendered by the fact that they were completely indistinguishable. They were just medals and had no connection with the persons who had received them. I know, speaking of my own branch, which takes in an area including over one thousand veterans all of whom are not members, that there was a very considerable feeling that the department or the government—never mind who was responsible—were being, shall we say, a little narrow in their view. I wonder if an estimate could be worked out on the cost with a view to doing it on a local basis and having the bills submitted to the department? Could you obtain for us an idea of the cost?

Mr. LALONDE: I could try.

Mr. SPEAKMAN: I would like to have it because it is something which comes up every year in our Legion branch.

Mr. STEARNS: Supposing there were three million medals and the minimum cost was about $8 per medal, it would be $24 million.

Mr. LALONDE: I have no idea.

Mr. STEARNS: I am guessing that. If it were $24 million I think it would be a lot better to put it right in the department for the benefit of the veterans.

Mr. SPEAKMAN: If it runs into that amount of money it is, of course, out of the question.

Hon. ALFRED JOHNSON BROOKS (*Minister of Veterans Affairs*): It would be rather a case of locking the door after the horse is out.

Mr. MUTCH: I believe that the estimate was ten cents per letter or numeral; it was fantastic.

Mr. FANE: The medals in the first war were stamped; they were not engraved. They were stamped on the outside edge. That should not cost as much as engraving.

Mr. WEICHEL: Are these medals available through the army and navy stores?

Mr. LALONDE: They are not supposed to be.

Mr. WEICHEL: Every once in a while we hear of someone wearing a medal to which he is not entitled.

Mr. LALONDE: I suppose some medals have found their way into the pawnshops. Even if they had been engraved I do not think it would have made any

difference. I have no evidence, but I am told the same thing happened after World War I.

Mr. HERRIDGE: That is quite correct. I have seen it.

Mr. O'LEARY: Would they have any value in a pawnshop?

Mr. LALONDE: They have a value of over a dollar, and in the pawnshop they would probably have a value of 25 cents. That is certainly enough for a small meal.

Mr. MACDONALD (*Kings*): The other day you mentioned you were sending out these medals unregistered and it has occurred to me that sometimes they would get in the hands of the wrong persons, since they do not have to sign anything and could keep them.

Mr. BROOKS: I think it is quite a serious offence to wear a medal to which you are not entitled.

Mr. LALONDE: The other alternative, Mr. Macdonald, is to keep them in store in the war service records vaults. I think if we achieve only what we think we are achieving, and that is a distribution of about 75 per cent to the right persons we are doing a lot better than if we just leave them there. I think the cases of abuse of the use of medals are so few that this is not really one of the main considerations in the distribution.

The CHAIRMAN: Gentlemen, the photographer has arrived. I think it would be advisable if we had the little ceremony recorded for posterity, particularly in view of the fact that the Minister of Veterans Affairs himself is going to make the presentation. The three members of the committee are Messrs. Carter, Pugh and O'Leary. That creates a nice distribution from a regional standpoint and otherwise.

I think, Mr. Minister, on this occasion you might like to say a few appropriate words.

Mr. BROOKS: Mr. Chairman, I might say that this is rather a different assignment from what I usually have. If I am to say a few words, I do not know just what I should say. Perhaps I should reprimand these old soldiers for a little neglect in duty in not having applied for these medals some time ago. However, I feel more inclined to compliment and congratulate them, with the hope that their example will be followed by the many thousands of others who have not applied for medals, because it does seem to me a singular situation that we have something like three or four hundred thousands persons who have not applied for medals.

I know there is a tendency among young soldiers returning from service to say, "What is a medal? The war is over; we won't bother about them." But when we are older and have children and grand-children we realize perhaps the medals have more significance and value than we first thought.

I think we all remember from our school days the passage in Goldsmith's "Deserted Village" where he tells the old soldier who shouldered his crutch and showed how wars were won. We can take these medals and show our grandchildren how we won the war.

It gives me very great pleasure indeed to present these medals to these very distinguished veterans.

Then followed the presentation of medals by the Honourable Mr. Brooks to Messrs Carter, O'Leary and Pugh.

The CHAIRMAN: Gentlemen, may we resume our deliberations.

I think this must mark a unique occasion in the veterans affairs committee. Perhaps Mr. Mutch could indicate whether there ever has been an informal investiture before.

Mr. MUTCH: I have been on committees since 1936 and I have not seen one.

Mr. SPEAKMAN: Then we have established a precedent.

The CHAIRMAN: Yes, we have established a precedent in a further way this morning.

Could we proceed now to item 449, district services—administration. The details are on page 551.

Mr. Mace can assist with any questions you might have on item 449.

ADMINISTRATION

449. District Services—Administration $3,271,281

Mr. HERRIDGE: Why for the first time apparently do we have this item of $1,750 in regard to unemployment insurance contributions?

Mr. F. T. MACE (*Assistant Deputy Minister*): Mr. Herridge, this is the government's share as an employer in payment of unemployment insurance contributions in respect to prevailing rate employees. It had previously been the practice, for the Department of Finance to bear the cost of this expense; but, I think, this year for the first time they are charging the departments and making them pay their own expenses. Is that clear, sir?

Mr. HERRIDGE: Yes. I was wondering; I have never seen it before.

Mr. MACE: No. You will notice this appears as an item in a number of the votes for the first time in 1959-60.

The CHAIRMAN: Have we completed our discussion on item 449?

Mr. ORMISTON: Mr. Chairman, with regard to repairs and upkeep of equipment, what percentage of the actual expenditure is expended on repairs; may we have an idea.

Mr. MACE: The repairs, arising from accidents sir, are estimated to be about $2,000 in 1959-60. The bulk of the expenditure is for the normal maintenance and upkeep of the vehicles.

Mr. ORMISTON: The reason I asked is that in most companies which maintain equipment they keep their repairs to a certain percentage of the capital cost. If the percentage goes above 10 per cent or 15 per cent they realize that there is probably faulty maintenance. I would like to obtain the figure which the department maintains is a reasonable one.

Mr. MACE: I do not think, sir, quite frankly that we have any set percentage. The whole matter of government motor vehicles is controlled through the government motor vehicle committee. They have set a standard of roughly 60,000 miles as the minimum mileage at which you might consider replacing the vehicles. This, of course, is subject to how the vehicle is running. Many cars run well over 60,000 miles and a great number break down well before that. We leave the control of our vehicles in the hands of our engineering division, and if they see a car is breaking down quite frequently, involving major repairs, they refer it back to the district and suggest they consider its replacement. I am not aware however of any specific percentage we use.

Mr. MCINTOSH: You still have not any idea of the unexpended portion of last year's estimate.

Mr. MACE: In this particular category?

Mr. MCINTOSH: In all of them.

Mr. MACE: If you will look at the statement you have attached to the folder I distributed, on the inside you will see the estimated expenditures for 1958-59 compared with our appropriation. So the difference is the unexpended balance. Does that answer your question Mr. McIntosh?

Mr. MCINTOSH: You are not answering my question. The latest forecast of expenditures let us say, for example, $5,900, under "Sundries"—item 448,

your appropriation is $5,200; in other words, you spent $700 more than was budgeted for.

Mr. MACE: In theory, that is true; and what we have to do is submit to treasury board a transfer between allotment in order to transfer $700 from some other primary which is under expended.

Mr. MCINTOSH: Other items?

Mr. MACE: Within that vote, of course.

Mr. SPEAKMAN: I notice under this and the other items there is an item for allowances, and it varies in each case. Will you tell us what these allowances are?

Mr. MACE: In the case of this particular vote the major items of expense are in respect to living allowances of classified employees in our London, England office. As you know, this is controlled through treasury board and everyone serving abroad qualifies for certain allowances. Of the $11,000, $10,300 is for that particular item.

I might as well answer your question completely. Of course, in this vote there are other allowances. We have an allowance by way of an honorarium to certain members of our staff who act as fire-fighters in their spare time. In other words, these persons are on call and they are paid a $100 a year honorarium. There are also terminable allowances where an employee may have assumed duties beyond what is required in his present classification. This arrangement may be only temporary and, therefore, instead of reclassifying him to a higher grade for a few months and then downgrading him, you compensate him by a payment of a terminable allowance.

We also have another allowance called "in lieu of board and quarters". These are in respect to the interns in Dr. Crawford's vote. These are the types of allowances which appear in the different votes.

Mr. ROGERS: I see that you are still buying departmental cars. This has been going on for eight or nine years. Is this dropping gradually, or why do we buy departmental cars ?

Mr. MACE: When we say, "cars", we refer to passenger cars, station wagons, ambulances, light trucks, heavy trucks and buses. As a matter of fact, we do not buy buses anymore, but we do require a large number of vehicles, mainly in association with the operations of the institutions.

Mr. ROGERS: So there are not very many departmental cars?

Mr. MACE: The number of vehicles operated by the department as of April 1, 1958 is 169, of which 74 were actual passenger cars; and this is what you are referring to, are you not?

Mr. ROGERS: Yes.

Mr. MACE: There are a number of our district offices—Vancouver, for instance—where our office is downtown, and we have Shaughnessy and George Derby hospitals. Hence, there is quite a bit of interdistrict travel which is conveniently done by passenger cars.

I think a number of these cars are used by people who are travelling continuously, but I think by far the greater portion of our travel where cars are involved is done by the privately-owned motor car of the employee, and he is paid a mileage allowance.

Mr. LALONDE: As a matter of policy we supply a departmental car—to a welfare officer, for instance—to do his travelling only when he says that he cannot afford to buy one. Whenever our travelling officials—and by that I mean the persons who do a fair amount of travelling—say they have a car or are capable of buying one, we place them on a mileage allowance. It is not our policy to buy more departmental cars, but we do need some passenger cars to

conduct our shuttle service between district offices and institutions, and this is the principle Mr. Mace has just referred to.

Mr. ROGER: I can see that; but suppose you were hiring a welfare officer today would one of the stipulations be that he supply a car?

Mr. LALONDE: It would not be a stipulation. We would not even consider that when hiring him; we would hire him on his merits. Whether he has a car or not makes no difference because he would have to go through a competition anyway. If he is the successful candidate, we would not want to disbar him because he does not have a car. However, once he is hired we put it to him: you will have to do a certain amount of travelling; can you provide a car and be placed on a mileage allowance? If he says yes, that is the answer; but if he says he cannot buy a car, then we will provide him with a departmental vehicle.

Mr. HERRIDGE: What percentage of the men are unable to buy a car or say they are unable to buy a car?

Mr. MACE: I would not think many of them, sir. As you know, the position of a veterans welfare officer is a reasonably senior classification. I think most of them would drive cars. I am not too familiar with the situation. This condition arises in the districts and I am not so familiar with the circumstances that I could give you a very accurate answer but I believe when Mr. Parliament is before the committee he will be able to give you a better idea of the situation.

Mr. LALONDE: I think the answer to your question, Mr. Herridge, is in the amount which is shown in the estimates under the next vote, No. 450—travelling expenses—staff—$165,000 a year. If you compare that with the travelling expenses for head office, it is only $27,000. The bulk of the $165,000 shown for travelling expenses in the welfare services vote is made up of mileage allowance. So that gives you an idea of the volume.

Mr. ORMISTON: Is there any variation in the mileage allowance?

Mr. MACE: In the department?

Mr. ORMISTON: Yes.

Mr. MACE: No, it follows the travelling regulations which are laid down by treasury board.

Mr. ORMISTON: The reason I asked was that I was wondering if a person using his car in southern Ontario would receive the same allowance as someone in northern Saskatchewan?

Mr. MACE: Yes.

Mr. MACDONALD (*Kings*): Would the bulk of these vehicles be used in connection with the administration of hospitals?

Mr. LALONDE: Yes, the bulk of the departmental vehicles would be used for that purpose.

Mr. MACDONALD (*Kings*): They would require a fair number of vehicles to administer a hospital.

Mr. LALONDE: Yes.

Mr. CARTER: What mileage rate do you pay for welfare officers?

Mr. MACE: The rates approved by the regulations are 4 cents a mile for occasional travel. This is where a person travels occasionally by means of his own car where other means of public transportation are convenient. But for the man with a continuous travel status, he will be reimbursed at the rate of 13 cents a mile, subject to his carrying certain levels of insurance; and I think this is $100,000 comprehensive coverage. The rate drops to 11 cents a mile after a certain mileage. I think it is after 20,000 miles but I am not too sure.

Mr. ROGERS: Is it not after 5,000 miles?

Mr. SPEAKMAN: Does that apply to every branch of the Department of Veterans Affairs?

Mr. MACE: Yes, this applies. I am sorry, I gave you the wrong figure before; it is 10 and 11—11 cents for the first 5,000 miles and 10 cents from there on. I thought this had been changed.

Mr. ROGERS: I think it has.

Mr. MACE: Yes, I think the figures I gave first are correct. I will double check this and confirm it this afternoon.

Mr. CARTER: Are the rates paid by the Department of Veterans Affairs the same as those paid by other federal departments?

Mr. LALONDE: They have to be; they are laid down by treasury board.

Mr. MACE: Travelling regulations apply to all government departments, as far as I know.

Mr. CARTER: Would you not say in some provinces that the welfare officer travels at a loss under those rates? I am thinking of Mr. Donald Gordon's reference to compensatory rates.

Mr. LALONDE: We accept the principle that travelling costs more in some areas of the country than in others. How much more is pretty difficult to say. It is our experience that with the new rates the variation is not in the amount of money the individual loses; it is in the amount of compensation that he gets over and above his expenses.

In other words, if he is paid the new rate, will he make a profit of two cents a mile, three cents a mile, or only one cent a mile? We do not know that. But we do not think that in any area they are losing money.

Mr. CARTER: Well, apparently if the people in the provinces where travelling conditions are worse—if they can break even, then the other fellows must be making a little money out of it.

Mr. LALONDE: This goes back to the system of paying civil servants across Canada. All classified civil servants get the same amount of money for the same classification, whether they happen to live in Vancouver or in Newfoundland.

Some people will say that as far as the actual compensation goes, it costs them more to live in British Columbia than it does, for example, in Ontario. Yet the system must be based on the same salary levels.

Mr. HERRIDGE: It must be working fairly satisfactorily. Personally, I have not heard many complaints. In fact, I have heard fellows say that they could get along on it.

Mr. LALONDE: There were complaints some years ago, but there have been no complaints since the rates were changed.

Mr. HERRIDGE: I can understand that.

Mr. ROGERS: I think they get consideration if they have a car of their own, and they can do some driving. In some areas where the district is concentrated, they do not get as much mileage, but they probably have better roads. On the other hand, in Saskatchewan I have found that they drive more miles.

Mr. LALONDE: That is right.

Mr. ROGERS: So I think it evens out.

Mr. MACE: To the best of my knowledge we have never had a refusal on the part of any employee to operate his car at these rates. Therefore I can only assume that everybody is satisfied.

Mr. HERRIDGE: Since they were changed.

The CHAIRMAN: Are we finished with item 449?

Mr. MONTGOMERY: I notice there are 17 solicitors employed in connection with these districts. What are these for?

Mr. MACE: These are the staffs of our legal services located in the districts —I believe, mostly in the larger districts.

In many cases these solicitors carry on the joint legal requirements of the Veterans Land Act and other branches of the department.

The deputy minister is a lawyer and is very familiar with this question. Maybe he would like to supplement what I have said.

Mr. MONTGOMERY: I have noticed that there are other solicitors for the veterans bureau.

Mr. LALONDE: There are no solicitors under the Veterans Land Act vote now. They all operate under the district administration vote, and in all cases they work for other branches of the department except for the veterans bureau, because solicitors working for the veterans bureau are specialists who are working on pension law. The other solicitors—the 17 mentioned—are general practitioners.

Mr. HERRIDGE: Are all these solicitors veterans, and are they all qualified according to provincial and Canadian law?

Mr. LALONDE: They are, sir. I presume you were referring to the 17 solicitors mentioned here, Mr. Herridge?

Mr. HERRIDGE: Yes.

Mr. LALONDE: That is right.

Item 449 agreed to.

450. Veterans Welfare Services (including the former Veterans Insurance Branch) $3,540,739

The CHAIRMAN: I wonder if we might crave the indulgence of the members of the committee and permit this item to stand this morning.

We have with us today Dr. Crawford, chief director of treatment services. Unfortunately he cannot be with us next week but if we could have your co-operation, we might now proceed to discuss item 451 and permit item 450 to stand for the moment.

Treatment Services—

451. Operation of Hospitals and Administration, including authority for payments, during the current and subsequent fiscal years, to Canteen Funds of departmental hospitals in amounts equal to the amounts of commissions received by or on behalf of Her Majesty from pay telephones in such hospitals $46,264,751

The CHAIRMAN: We introduced Dr. Crawford last year when he made a lengthy statement on the activities of this branch.

Dr. Crawford is a distinguished veteran in his own right—a Hong Kong veteran. He once had the distinction of living in the Brandon-Souris constituency many long years ago. He is well qualified to speak for his branch.

Mr. BROOME: He must still have some relatives living there.

Dr. J. N. CRAWFORD, *(Director-General, Treatment Services, Department of Veterans Affairs)*: Mr. Chairman, and members of the committee: thank you. As far as I know, there are none of my relatives still living at Brandon.

I think it is unnecessary again to advise this group of what we do in the treatment branch, what our tasks are, and how we do them.

But very briefly, you know our responsibility is for the provision of hospitalization and/or treatment to veterans, pensioned veterans, for their pensionable disabilities; to veterans who are recipients of the war veterans allowance; to veterans with reduced income, who pay for treatment under

a sliding scale set by the treasury board; and to any veteran, provided we have the beds available—and provided that the total cost of treatment is paid for by him or by some other agency.

We also administer in our branch certain treatment and other allowances. We also supply treatment to certain wards of the federal government at the request and expense of the appropriate department, and in special cases to individuals at the request and expense of some responsible agency when suitable facilities are not otherwise available, and when it is in the public interest to do so.

We carry on these activities in hospitals owned and operated by the department, or in pavilions or special wards in connection with community hospitals, or thirdly in community hospitals under the doctor-of-choice plan.

We know that the standard of treatment we provide is good and we believe that our operations are conducted efficiently. You will be inquiring into this matter of efficiency when you examine the details of our estimates for 1959-60.

You are being asked to approve estimates of $55,489,366 for the operation of treatment services for the next fiscal year.

This represents a decrease of approximately $3 million from the amount requested for similar operations last year. In the face of the rising costs of labour and supplies, this saving has been brought about by an anticipated increase in revenue due to participation in the federal-provincial hospitalization plans in those provinces where such plans exist.

Our total estimate is made up of five major items: operation of hospitals and administration, $46,264,751; medical research and education, $350,000; hospital construction and maintenance, $4,811,370; prosthetic services, which are now operated through the branch, $1,211,245; treatment and other allowances, $2,850,000.

In the sum requested for operation of hospitals and administration, the amount of $32,632,487 is requested for salaries and wages.

The total patient load of the department has remained relatively constant in numbers for the past three years, but the pattern of the load has changed considerably.

As the patient population becomes older and more feeble, more and more in the way of nursing care is required. Diagnostic facilities have become more complex and require more people of different scientific disciplines to carry them out. I am referring here to the tremendous upsurge in interest and the requirements for bio-chemical investigations in our hospitals. They are very complicated manoeuvres.

The onset of the federal-provincial hospitalization plan has created a requirement for a somewhat larger clerical staff in our hospitals. In spite of all this, the total increase in personnel of the treatment branch is only 58 over last year.

These 58 positions have been obtained by deleting some less essential positions, and by obtaining positions from other branches in the department.

The overall strength of the department as a whole remains at last year's level. The increase in the salaries object has been brought about largely by reclassifications and statutory increases.

Now, without a doubt, members of the committee will wish to participate in a detailed examination of our estimates for next year.

Mr. SPEAKMAN: Mr. Chairman, while it is still fresh in my mind: there was a question which I asked the deputy minister the other day, and which I was asked to defer, in order to address it to Dr. Crawford.

I am not clear as to the reason for there not being any sub-district office in Whitehorse. I would like to know what the patient load is there, and the

estimated cost of treatment services, for one thing, in the Whitehorse area in the Yukon.

Dr. CRAWFORD: Well, I can only speak for the treatment services, and I cannot tell you the detailed cost of the treatment service for the Yukon, for the simple fact that it is not a sub-district. The Yukon is part of the Vancouver district for administrative purposes, and the cost of treatment activity up there is absorbed in the Vancouver operation.

However, representations have been made, as you know, that something more was required in the Yukon, and that with respect to treatment services considerably more was required. I think there is a place here for something more than we have. But how much more?

One difficulty is, first of all, the fact that by numbers, the patients that we handle up there do not create a patient load of much more than two or three at any one time, whether they are in the Yukon, or in Vancouver, or in Edmonton. But the main difficulty, as has been explained to me, is that there is poor communication between the extremity in Whitehorse and the central authorities, be they in Edmonton or in Vancouver. This is doubtless true.

I therefore propose to engage the services of a doctor in Whitehorse to act as a treatment service representative. He will be the administrative medical officer at the new hospital which is going up there. I have his agreement to act in this way; I have the unofficial agreement of his employers, the Department of National Health and Welfare; and I expect any day now to have the official agreement of the Department of National Health and Welfare to appoint him as the D.V.A. medical representative in Whitehorse.

This will be followed by a briefing session in which we will bring him up to date on veterans treatment regulations and the rights of various groups of veterans for treatment.

I anticipate that this appointment—the appointment of Dr. McKinnon—will greatly facilitate treatment arrangements, since there will be a man in Whitehorse who will be my representative there.

He can arrange for treatment either locally in Whitehorse in the new hospital under the doctor-of-choice plan, or make the necessary arrangements for transfer of the veteran to Vancouver or Edmonton as the case may be, doing what is most convenient, and knowing that the patient will be met, received and handled expeditiously when he arrives.

I think this relatively simple manoeuvre will have a beneficial effect on the treatment situation in Whitehorse. But it will not do very much, I admit, for the man who is out in the creeks. I do not have any idea how we could provide a really 100 per cent adequate coverage for the Yukon as a whole. I think we can establish a treatment authority in Whitehorse which will go a long way to solve the problem up there.

Mr. SPEAKMAN: I have travelled by airlift, both with service and civilian aircraft, and it is not the best means of travel for patients, particularly a seriously ill patient, I can assure you.

I shall go back to the deputy minister now. That takes care of the treatment service; but will the doctor who is going to be at the head of the hospital have the time to take care of other veterans problems, apart from treatment? I mean Veterans' Land Act cases, and War Veteran Allowance cases?

Mr. LALONDE: I understand that there is a Veterans' Land Act representative who is responsible for the Yukon. But whether they have a representative in Whitehorse or elsewhere, I do not know. You will never eliminate the travelling that a veteran, living in the Yukon, outside of Whitehorse, will still have to do to get in touch with our chap.

Otherwise our employee is going to have to travel to the Yukon to meet veterans; whether the welfare officer travels out from Edmonton or Vancouver

or Whitehorse, it will be exactly the same. But you must remember one principle that has to remain in there: that is, that no matter where our representative is located, eventually he is going to have to communicate with one of the district offices in order to get a solution to the various problems which he encounters.

In other words, if it is a war veterans allowance problem, he will have to report to the district authority, either in Vancouver or in Edmonton to get the "position" of the application for the war veterans allowance. So that this type of problem would not be served better by having a man stationed in Whitehorse, than by having one stationed in Edmonton, who would fly to Whitehorse every month or so.

There is not sufficient overall in any one city in the Yukon to warrant placing a man in each city. That man could never keep himself occupied.

As I told you the other day, we are studying this matter, and as Dr. Crawford indicated, we have already had discussions on it. We have had a survey made by the regional administrator in Vancouver, and the regional administrator will be coming down again in May at which time we intend to seek a proper solution.

But at first glance I would say that the establishment of a sub-district office in Whitehorse would only solve the Whitehorse problem. It would not solve any of the others.

Mr. SPEAKMAN: I am going back a little further to say that away back in 1955 when I lived up there, the D.V.A. representative came up periodically; and during the time between his visits cases accumulated until his arrival.

The same thing applies to the Veterans' Land Act. Periodically the junior chief inspector came up from Edmonton, and between times cases accumulated.

I think that our veterans in the Yukon are entitled to faster service than that. Since 1955 the population has increased rather fast, and the bulk of that increase has taken place in the Yukon. It is my belief that a sub-district office in Whitehorse could be served by a small staff, and one of the staff could be equipped with means of transportation so that he could serve the whole territory.

When you consider the fact that the return air fare is $142.80 to either Edmonton or Vancouver, that these people send officials from either Edmonton or Vancouver, and that they may make several trips a year, we would maintain a sub-district office at not too great an additional expense and provide the services to which these veterans are entitled.

Mr. LALONDE: We agree with you in principle. As Doctor Crawford has said, are trying to improve our service. Where we disagree is that we do not think the idea of a subdistrict office is the answer. We are attempting to find another answer which will provide this service without having the duplication of setting up a complete subdistrict office with a lot of clerical staff which we do not feel can be justified. In other words, there must be a more economical way of doing it than having to establish a subdistrict office. That is what we are looking at now.

Mr. SPEAKMAN: Clearly there must be also a more economical way than the way we are doing it, which will provide better service.

Mr. LALONDE: I am not sure of that. I agree with you as far as Whitehorse is concerned. However, I think the other areas get as good service now as they would get if we had an official stationed permanently in Whitehorse.

We have increased the number of our visits to the Yukon following this study. The welfare officers now go up more often than previously. There is a period I believe—and you would know more about this than I would—when all communications are pretty well at a standstill and there is no use in sending

a welfare officer at that time. But in the other periods when communications are open, we want to double at least our activities up there.

However, taking into account both the desire to give better service and the necessity for doing it, I am not convinced yet, as to what is the best way of doing it without spending money unnecessarily.

Mr. BROOME: May I ask a question of Doctor Crawford?

The CHAIRMAN: I have a signal from over here. Is your question on this subject?

Mr. BROOME: No.

Mr. PUGH: Carrying on after Mr. Speakman, could we have a figure giving the number of veterans in the Yukon and the various concentrations which might be known to the department?

Dr. CRAWFORD: I think there are 1,600 veterans in the Yukon.

Mr. PUGH: When was this figure obtained?

Mr. J. G. BOWLAND (*Research Adviser, Department of Veterans Affairs*): It does not provide for emigration after 1951. It is just for deaths since 1951.

Mr. LALONDE: That is the date of the last census?

Mr. BOWLAND: Two hundred of those are World War I.

Mr. PUGH: Would you have any idea of the concentration in Whitehorse or any other centre?

Mr. BOWLAND: We can obtain that for you.

Mr. LALONDE: We have a file on this, and will look it up.

Mr. MCINTOSH: Dr. Crawford made a statement that there was a $3 million decrease in the estimates. Actually, there is a $2 million increase.

Dr. CRAWFORD: I was speaking only of the vote for operation and administration of hospitals.

Mr. MCINTOSH: This increase is from 1956 to 1958.

Dr. CRAWFORD: The amount is $46,264,751. That is what we are asking for this year. Last year we asked for $49,545,000.

Mr. MCINTOSH: What about your expenses?

Dr. CRAWFORD: Our expenses are greater. I explained we had these rising costs of wages and materials which we will explain later. However, our anticipated recoveries are greater under the hospitalization plan.

Mr. MCINTOSH: I will not ask you questions on all these. However, I would like to know about this one which seems to have increased over 100 per cent, that is, the hospital insurance premiums which are up from $300,000 to $650,000.

Dr. CRAWFORD: There is a simple answer. The hospital insurance scheme in the provinces became effective in most provinces last year either on the first of July, or on the first of January this year. Therefore in the fiscal year 1958-1959, we had premiums in some provinces for nine months and in some for only three months for which to estimate. In 1959-1960, we will have premiums for twelve months, and in more provinces. The increase is mainly because of the fact that we are now estimating for a twelve-month year, whereas last year our expenditures were in some instances for nine months and in other instances for three months.

Mr. MCINTOSH: Is there any difference in the payment of premiums as between provinces. I have knowledge of only my own province of Saskatchewan. The majority of the people pay their own premiums. Do you pay it twice?

Dr. CRAWFORD: No. These are paid only in respect of veteran recipients of the war veterans allowance as single persons. This is true in every province.

We pay premiums in Saskatchewan, Manitoba, Ontario and New Brunswick. There is no duplication. The point of this thing is, that if we did not cover the veteran recipient of war veterans allowance he would be eligible for hospital coverage as an indigent, at the expense of the community. We are anxious to avoid this label in respect of a W.V.A. recipient, and therefor we pay the premium on his behalf; but it is paid only once and paid by us.

Mr. McINTOSH: The other question I have is in respect of the cost of telegrams and telephones which always seems to be spiralling.

Dr. CRAWFORD: Yes. There has been a ten per cent increase in the Bell rates and a twelve per cent increase in one of the other systems we use. That has been reflected in the increased estimate.

Mr. HERRIDGE: Mr. Chairman, before I ask Dr. Crawford a question I wish, on behalf of the veterans in my constituency to express their appreciation of the excellent service rendered by Shaughnessy hospital. There are increasing numbers of first world war veterans who tell me how much they appreciate the comfort they receive in the hospital, and especially in the "plumbing" division.

A veteran wrote me to the effect that he, a war veterans allowance recipient, was called into Shaughnessy hospital, examined and told he required an operation. Owing to the fact that the ward in which he would be put was full he was sent back by air to the Kootenay to await recall at a later date. The veteran in question did not complain. He appreciates very much what has been done. However, I wonder if Dr. Crawford could find out whether or not that operation was delayed on account of any occupancy by someone other than a veteran of any bed in the ward in which he was supposed to be put.

Dr. CRAWFORD: I can inquire. One has to know his name and particulars.

Mr. HERRIDGE: I can give you that; it was quite recent.

Dr. CRAWFORD: I feel it is unlikely it is so. If there was not urgency in respect of this person's operation—and I assume this was also in the plumbing division—it may well be they felt it was preferable from the point of view of the veteran to postpone this until proper facilities were available. Certainly, had there been any requirement for an operation at the specific time, even if the bed had been occupied by someone other than a veteran, the non-veteran would have been moved to another ward. I think it is highly unlikely that this has happened because I have been assured many times by Shaughnessy and other hospitals that our activity in respect of non-veterans—and we can give you some figures on this if you wish—has never interfered with the treatment of an entitled veteran.

Mr. LALONDE: I hope there is a good reason, because I do not take very kindly to the thought that we had to transport him by air twice for the same operation.

Mr. HERRIDGE: He is not complaining.

Mr. LALONDE: But I would.

Dr. CRAWFORD: You will be interested in these figures. Leaving aside members of the armed forces our activities in respect of other government departments represent 0.9 per cent of our patient census. Less than 1 per cent of our patient load is created by other government departments, apart from the Department of National Defence, and 0.4 per cent is made up of cases we handle for other responsible agencies such as the Canadian paraplegic association. It is a very small fraction of our total activity as you can see.

Mr. BROOME: Before I ask Dr. Crawford a couple of questions on the details, I am wondering if he could inform the committee as to the total number of beds this year and the increase which you anticipate during the year?

Dr. CRAWFORD: We do not expect very much by way of an increase. Our hospital construction program has been a replacement program on pretty much of a bed-for-bed basis. We do not intend any increase in this. Mr. Bowland has supplied the recent rating figures which are as follows: active treatment hospitals, 8,425; active convalescent facilities, 385; domiciliary care in veterans homes in Saskatoon and Edmonton, 135; total bed capacity of 8,945.

Mr. BROOME: I am wondering why the Canadian Corps of Commissionaires service has gone up from $620,000 to $670,000? That is a $50,000 increase in that item. Also there is a rather heavy increase in materials and supplies. It was underestimated last year. You had to drag it quite a bit. It is still considerably above what the forecast will be for this coming year.

Dr. CRAWFORD: On your first question, I do not think actually there are more people employed as commissionaires than we had previously. The number of hours and the number of posts remains pretty much as it was last year. However, the hourly rate for commissionaires has gone up. This increase is a reflection of the increased pay for commissionaires.

Mr. BROOME: But that is not reflected in the previous items passed in respect of commissionaires. I do not want to go back, but in item 449 it was $52,000 as against $53,000, and in item 448, $37,000 as against $34,000.

Mr. MACE: In respect of item 449, the reason for the decrease was that in Edmonton our district office was moved into the new federal building.

Mr. BROOME: That explains it.

Dr. CRAWFORD: On materials and supplies this covers in the main two items, drugs,—medical supplies—and food.

The figures on drug costs are extremely interesting and rather shaking. If our drug index cost in 1949 is taken as 100, our drug index cost now is just over 190. That is, in a matter of ten years costs of drugs have increased 90 per cent. I think this explains, in the main, the increase in drugs. There are additionally some more expensive drugs. When a new drug comes on the market for the first year or so it is notably expensive and the cost comes down a bit when it gets into mass production. We seize on these things as soon as their value has been established and we buy them irrespective of the cost. We are getting in the forefront of the cost in that way.

Food costs have gone up. The index for raw food has increased somewhat also, but in the main the increase in the food cost is in the freight rates, which have increased. We have to transport this food, sometimes long distances. These two items account for this increase; it is increased cost and increased transportation.

As far as unemployment insurance is concerned the explanation is that we are dealing with people who are prevailing rate employees in our hospitals system and we are now paying their unemployment insurance premiums.

Mr. CARTER: I was wondering whether or not Dr. Crawford or the deputy minister can tell us what progress, if any, is being made toward the provision of a hospital for veterans in Newfoundland?

Dr. CRAWFORD: We will come to that later under item 453.

The CHAIRMAN: We have a few members indicating a desire to ask a question on this item. Perhaps we might complete our consideration on this item first.

Mr. O'LEARY: Dr. Crawford, in speaking of the premiums paid for recipients of war veterans allowance, in Nova Scotia where we have a non-premium plan, is there any consideration given that?

Dr. CRAWFORD: No. Not that there has been any lack of consideration. We have studied this thoroughly. However, we are to some extent under the

direction of the treasury board in this matter. We are only paying specifically for the veteran recipient of war veterans allowance in the premium provinces. I would guess from what I have seen of this operation that before long most of these premium provinces may revert to a sales tax method of administration because it is generally more satisfactory as evidenced by the British Columbia experience. If and when this comes about, the situation will be equalized. Until it does we are only paying the premium out-of-pocket expenses which are known and foreseeable. I do not know how we would try to make an adjustment where the plan is financed through a sales tax.

Mr. MONTGOMERY: This only covers the veteran himself. If he has a wife and family he has to pay that in addition?

Dr. CRAWFORD: Yes. As you know we have never taken treatment responsibility for the dependents of a war veterans allowance recipient.

Mr. MONTGOMERY: I have several letters on that. In all the municipalities in New Brunswick it really has not got going. I suppose it is due to the fact that the people do not know just yet what will happen; but where the municipality collects the premium there ought to be some way of working it out.

Dr. CRAWFORD: The way we worked it out, for example in Manitoba, is a good illustration. We notify Manitoba of the fact that from a municipality we are paying the premium on behalf of, let us say, "John Smith" who is a married man. He has the opportunity of paying the difference between the family premium and the single premium; and in this way he has his family covered. There is a good liaison.

Mr. STEARNS: Mr. Chairman, I would like to ask Dr. Crawford a question. If my question does not come in the proper place, he does not have to answer it at this time. Dr. Crawford, I have been wondering if, excluding war wounds, the general state of health of the Hong Kong survivors is remarkably different from the present state of health of the survivors of the European theatre of war?

Dr. CRAWFORD: Are you confining your definition of war wounds to that received from a bullet or a bayonet?

Mr. STEARNS: I was thinking more in terms of therapy. I am wondering about the general state of health of that force as compared to the European force.

Dr. CRAWFORD: There was a tremendous morbidity incidence rate among the Hong Kong people. It was brought about in the main by nutritional deficiencies. In many, this had the result of producing permanent changes in the central nervous system. These have been demonstrated in pathological sections. It did not affect everybody equally. I think the people who came back from Hong Kong in very bad shape are still in pretty bad shape. They have not improved as much as we hoped they might. They have not worsened very much. Those who were more fortunate and for some reason or another escaped the onslaught of this thing should get along, by and large, as well as any other group of veterans.

I get a little emotional about this every now and again, because I would hate to think Hong Kong veterans were given any preferential treatment merely because they were Hong Kong veterans. Once you begin to classify these people in a separate category as if they were lepers, I think you do them a very grave disservice. I have been very happy with the attitude of the Canadian pension commission in treating these fellows on the basis of what is wrong with them as individuals. I think they have been eminently fair in the majority of cases.

Mr. ORMISTON: I was wondering whether Dr. Crawford would care to answer—

The CHAIRMAN: One moment, please; have you a question on the same subject?

Mr. KENNEDY: No, I was going back to the other one.

The CHAIRMAN: Carry on, Mr. Ormiston.

Mr. ORMISTON: I assume when there is a D.V.A. ward in a general hospital that we have to pay the rental for floor space, or something of that nature, besides paying for the individual care of the veteran. Is there any consideration given when the ward is occupied by other than veterans, in the over-all rental picture?

Dr. CRAWFORD: In general, sir, it would work out something like this: we have given the parent hospital, if we could call it that, some sort of subsidy or grant to assist it in building these beds or to obtain a priority use on a number of beds. That is just a straight cash payment. We will say, for example, for this amount of money we have the priority use of 50, 75, 100 or whatever number of beds in the hospital. That is done with; and finished. Then, for every veteran who goes in we pay the ordinary per diem rate to the hospital.

If we have priority use on 100 beds and there are only 70 veterans in the hospital, the hospital will naturally use up the other 30 beds. We do not pay for them; that is somebody else's business. We pay only for what we use. If, however, we find that we have five or ten veterans who need to be admitted to the hospital and they are still within our priority quota, it is written in our agreement that in every one of those hospitals we have the use of those beds and they will have to move whoever is in them to allow us the use of our beds.

Mr. ROGERS: Dr. Crawford, I would like to follow up the question in regard to the Hong Kong veterans. I am under the impression that the Hong Kong veteran, or prisoner of war, is unique in that he was subjected to forced labour; is that right?

Dr. CRAWFORD: Well, this is a little bit apart from the treatment services; I am wearing two hats here.

Mr. ROGERS: But it does affect the Hong Kong veteran.

Dr. CRAWFORD: It does, and they have been given, under the war claims commission, cash awards as compensation for some of this. This is in addition to any pension they receive from the Canadian pension Commission. I admit they are a special group, and for obvious reasons they are very close to my heart. But I think you are doing these lads and me considerable disservice when you begin to look at them from the point of view of pity and compassion, rather than from what is wrong. This is purely a personal view.

Frequently I think the best way to handle a man who is feeling pretty sorry for himself—and we have all felt sorry for ourselves—is to give him a bowler hat and say: "go out and get a job—find yourself some work." He will either find it and successfully re-establish himself or he will break down. We should pick up these fellows who cannot make it and concentrate on their rehabilitation. However, that is a somewhat revolutionary sort of thought.

Mr. ROGERS: I am not saying all the people. I come up against this argument quite often and I wanted to get your thoughts on the matter.

Dr. CRAWFORD: I think this matter can be left as it is, with the Canadian pension commission taking a most generous view of a man's complaint where he has this war background. On the whole I would say they assess him generously. On the treatment services side, we have adopted a rather naive attitude toward this and say, "all right" with regard to these men, because we do not know what the long-term effects of malnutrition are, his disability, with which he comes into the hospital, is related to his malnutrition until the appropriate chief of medical services says it is not.

This is my interpretation of how the benefit of the doubt in treatment services should be applied. Obviously, if a man comes in with a broken leg or gets hit with a beer bottle in a tavern brawl it has nothing to do with his war service; and it is easy to say that this is not related.

Mr. KENNEDY: This matter of payment of premiums on behalf of the recipients of war veterans allowance disturbs me because in the province of Nova Scotia the war veterans are contributing, at the present time, through the normal channels of taxation. Is it not possible in some way to adjust that? Are these premiums fixed?

Dr. CRAWFORD: They vary considerably from province to province. They gather different benefits from province to province and we have been unable to figure out any equitable way of adjusting this as between one province and another.

Mr. KENNEDY: Roughly, what is the average premium paid on behalf of a war veteran?

Dr. CRAWFORD: It is about $2.10 per man per month.

Mr. MACDONALD (*Kings*): I would like to make an observation in regard to the Hong Kong veterans. In general I think that every veteran feels that he should receive special consideration from the Canadian pension commission because—

Mr. MONTGOMERY: I disagree with you.

Mr. MACDONALD (*Kings*): —they have had a long period of time in prison, an average of perhaps two to three years longer than the bulk of other prisoners of war; and also because the living conditions or the conditions existing in that enemy country were probably not as good as in some of the other countries.

Dr. CRAWFORD: I agree with you entirely. I think they should be regarded as worthy of some special consideration, and I think they are getting it. I think they receive special consideration from the pension commission and from treatment branches. However, this consideration is given to them as individuals and not as a group, and I believe this is the way it ought to be.

Mr. MACDONALD (*Kings*): I have only one in my area.

Dr. CRAWFORD: I would be very happy to go to war over again with all these fellows.

The CHAIRMAN: Does that complete item 451?

Mr. CARTER: If we have come to the end of this item, I would like to ask Dr. Crawford if he will be here next week.

Dr. CRAWFORD: I will be here Thursday, but I have to go west next Sunday.

Mr. CARTER: Would you have any objection to answering my question now, because I may have other questions on Thursday?

Dr. CRAWFORD: We have authority, Mr. Carter, from the cabinet—and I am speaking with reference to the proposed construction in Newfoundland—to negotiate with the province of Newfoundland and plan for the construction of adequate hospital accommodation for veterans in that province. As far as I know this is to be an additional project to the two major projects which were allowed.

We are contemplating adding a veterans pavilion to the St. John's General hospital. The cost of this will be approximately $800,000.

We have negotiated with the province; we have their agreement to use their lands to do this. It would be our building. We have done preliminary sketch plans of the proposed structure. These sketch plans have been reviewed

by a special committee in Newfoundland composed of the users of the proposed construction. We are getting the plans back and there has been a fair amount of correspondence.

In the estimates we have a sum of money sufficient to pay the architect's fees. The architect will be appointed by the Department of Public Works in the very near future. We will also be able to pay for what construction can be done during this fiscal year.

If there is more construction, possibly we will have to go to supplementaries for more money; but we do not think we will need any more money this year, other than the $100,000 we already have in. Of course, next year at this time we will be submitting the balance of the estimates for the completion of the St. John's project.

Mr. CARTER: Does the committee you referred to in connection with plans consist of medical men, and are the veterans represented on this committee?

Dr. CRAWFORD: No. Some of the members of the committee may be veterans, but the veterans organizations are not sitting in on it. The committee is composed of the D.V.A. people who will be administering the pavillion, the St. John's General hospital administrators who will be supplying the core services, dietary, nursing, operating rooms, laboratories and so on, and construction people from the federal Department of Public Works and the provincial department of public works. In other words, these are the people who will have to make this project work.

Mr. HERRIDGE: Mr. Chairman, I would like to address a question to Dr. Crawford. During the last year the C.P.R. has reduced its passenger service on the Kettle valley railway and only operates a Budd car. There is no sleeping car accommodation and owing to the low overhanging clouds it is impossible at times for planes to land. This has been a great inconvenience for veterans who are called in to Shaughnessy. Is there anything the department can do to jog the right person's arm to have this sleeping car placed on the Kettle valley railroad for the convenience of these people, particularly the veterans.

Dr. CRAWFORD: I do not know whether or not there is any influence that we can bring to bear in regard to this matter.

Mr. HERRIDGE: This situation has arisen on several occasions.

Dr. CRAWFORD: We will look at the amount of inconvenience it is causing us. What about using Calgary; is this any better? What about pulling them back to Calgary?

Mr. HERRIDGE: That has not been mentioned, but I think 100 per cent of them want to go to Shaughnessy. The dividing line is somewhere around Creston.

Dr. CRAWFORD: I mention that purely because I knew it had come up before, and I see no reason why people who want to go to Calgary cannot go.

Mr. HERRIDGE: But the same inconvenience is suffered whether you go to Vancouver or Calgary because it is the same train and there is the same lack of air services.

Dr. CRAWFORD: I will take it up with the regional administrator and will find out how many people are affected by this.

The CHAIRMAN: Item agreed to.

452. Medical research and education ..... $ 350,000

The CHAIRMAN: The details are on page 558.

Mr. BROOME: I have only one question in connection with this item. There are two new items, 22 and 28, which were not in before. Was there no compensation for loss of earnings previously, and was there no travelling expenses previously?

Dr. CRAWFORD: This was included under sundries in our last estimates.

Mr. BROOME: Fine; thank you.

Item agreed to.

Item 453 agreed to.

454. Prosthetic Services—supply, manufacture and administration— $1,211,245

Mr. MACDONALD (*Kings*): I wonder if Dr. Crawford would give us a brief explanation on the recoveries from outside organizations. He noted $150,000 altogether.

Dr. CRAWFORD: In the main, this comes from the workmen's compensation boards of one or two provinces who use us as a prosthetic agency because they believe we make a better product and give them better service. In addition to that we do supply in the province of Saskatchewan prosthetics on the request of the Red Cross, when other services are not available. But they pay for these, and these recoveries are made up in the main from such sources and the Department of National Defence.

The CHAIRMAN: Gentlemen, are there any further questions?

Item agreed to.

The CHAIRMAN: That leaves one other item which comes directly under treatment services. I believe it is item 459—treatment and other allowances.

Item 459 agreed to.

The CHAIRMAN: Gentlemen, that completes our examination of the treatment services branch. Thank you kindly, Dr. Crawford.

Dr. CRAWFORD: Thank you.

The CHAIRMAN: I think that concludes our sittings on this subject. This means that we now revert to item 450, and deal with matters under the veterans welfare services.

After we complete our discussion of welfare services we can proceed to the veterans bureau. I believe our next sitting is scheduled for 10.30 on Thursday.

Next Monday March 9, the Hong Kong veterans association will be before us, plus the war amputees.

The committee adjourned.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

Estimates 1959-60 of the Department of Veterans Affairs

THURSDAY, MARCH 5, 1959

RECEIVED
MAR 13 1959
Library of Parliament

WITNESSES:

Mr. G. H. Parliament, Director General, Veterans' Welfare Services; Mr. P. E. Reynolds, Chief Pensions Advocate; Mr. Lucien Lalonde, Deputy Minister of Veterans Affairs; Mr. F. T. Mace, Assistant Deputy Minister; Mr. C. F. Black, Secretary of Department; Mr. L. A. Mutch, Acting Chairman, Canadian Pension Commission.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

20793-6—1

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.,

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

and Messrs.

Badanai	Herridge	Peters
Batten	Jung	Pugh
Beech	Kennedy	Roberge
Benidickson	Lennard	Robinson
Broome	Macdonald (*Kings*)	Rogers
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

ORDER OF REFERENCE

WEDNESDAY, March 4, 1959.

Ordered,—That the following bills be referred to the Standing Committee on Veterans Affairs:

Bill C-31, An Act to amend the Veterans Rehabilitation Act.

Bill C-32, An Act to amend the War Service Grants Act.

Attest.

Léon J. Raymond,
Clerk of the House.

20793-6—1½

MINUTES OF PROCEEDINGS

House of Commons, Room 112-N.
Thursday, March 5, 1959.

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

Members present: Messrs. Badanai, Batten, Carter, Dinsdale, Fane, Fortin, Herridge, Kennedy, Lennard, Macdonald (*Kings*), MacEwan, MacRae, Matthews, McIntosh, McWilliam, Montgomery, O'Leary, Ormiston, Pugh, Robinson, Rogers, Speakman, Stearns, Stewart, Weichel.

In attendance: Messrs. L. Lalonde, Deputy Minister of Veterans Affairs; F. T. Mace, Assistant Deputy Minister; L. A. Mutch, Acting Chairman, Canadian Pension Commission; F. J. G. Garneau, Chairman, War Veterans Allowance Board; G. H. Parliament, Director-General, Veterans Welfare Services; P. E. Reynolds, Chief Pensions Advocate; C. F. Black, Secretary of the Department; R. Bonnar, Assistant Departmental Secretary; J. E. Walsh, Director of Finance, Purchasing and Stores, with his assistant Mr. A. F. Graves; Mr. J. G. Bowland, Research adviser, Mr. G. S. Way, Chief of Information.

The Committee resumed consideration of the Estimates of the Department of Veterans Affairs for 1959-60.

Item 450—Veterans Welfare Services, including former Veterans Insurance Branch, was considered.

Mr. Parliament was called and examined. During his examination Messrs. Lalonde, Mutch and Black gave answers to specific questions.

The said item was approved.

Items 472 and 473 were also considered, with Messrs. Parliament and Lalonde under questioning. Whereafter the said items were approved.

Item 455—Veterans Bureau, was considered. Mr. Reynolds was called. During the witness' examination Messrs. Lalonde, Mutch and Mace answered specific questions.

The item was allowed to stand.

The Chairman informed the Committee that at its next meeting the War Amputees Association and the Hong Kong Veterans Association would be heard.

At 12:35 o'clock p.m. the Committee adjourned to meet again at 11:00 o'clock a.m., Monday, March 9, 1959.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

Thursday, March 5, 1959.
10.30

The CHAIRMAN: Good morning, gentlemen. We are slightly late in starting this morning as we are overlapping with the previous committee. However, we have a good quorum and I think we should commence.

I have a request from one or two of the new members for office copies of the various acts involved. We had a complete set distributed last year to all the members who took part in the committee, and I presume that all former members will have those copies in their possession.

The deputy minister informs me that copies will be distributed to the new members. Former members may not have in their possession the information as provided last year. Would all those who would like to have a re-issue of those documents please indicate.

Mr. LUCIEN LALONDE (*Deputy Minister, Department of Veterans Affairs*): We will arrange for approximately ten copies.

The CHAIRMAN: I would suggest they might include the booklet on war veterans allowances, scholarship assistance to the children of war dead and other items along that line.

Now, gentlemen, we go to item 450 this morning. First of all, I am reminded we have some questions held over from the last meeting, and Mr. Mace will answer those for you.

Mr. F. T. MACE (*Assistant Deputy Minister, Department of Veterans Affairs*): Mr. Chairman, it is really a correction or clarification of the mileage rate about which I was not too clear the other day.

The authorized mileage rate where proof of insurance has been filed is 11 cents per mile for the first 5,000 miles, 10 cents per mile for the next 5,000 miles, and 8 cents per mile for all mileage in excess of 10,000 miles, in any one fiscal year. The 4 cents a mile rate applies to occasional travel where other means of public transportation is available. If anyone is authorized to use his own car on continuous travel and does not file proof of the required insurance coverage, he is only entitled to 9 cents a mile.

Mr. MONTGOMERY: I would like to clear up a point in connection with that matter: why insurance coverage, if he is driving his own car? I understood you to say that he receives a higher mileage allowance if he has this coverage.

Mr. MACE: I would like to quote from the treasury board authority in connection with this matter:

> Every employee using a privately-owned automobile on official business who receives or is eligible to receive an allowance under paragraph (*d*) and (*e*) above shall submit proof to his deputy head that such automobile is insured at not less than the business rates for business usage by an insurance policy which would cover any or all claims for third party liability to the extent of at least $100,000 in respect to any one accident.

This insurance, sir, is quite expensive. I presume the treasury board feel it is desirable that there should be that coverage so that in the event of liability he will be well covered.

Mr. MONTGOMERY: That is the reason you make the rates different.

Mr. MACE: Yes, by treasury board's direction.

Mr. ROGERS: Will they permit an operator to drive his own car without insurance?

Mr. STEWART: I do not think so.

Mr. MACE: We, as the department, would not. You mean without any insurance?

Mr. ROGERS: Yes.

Mr. MACE: He could have a lesser level of insurance coverage than the $100,000 and in that case would only get 9 cents a mile.

Mr. ROGERS: And the same holds true if he drives a departmental car?

Mr. MACE: No. A departmental car—

Mr. ROGERS: Not the car; he has to take out certain insurance. He used to anyway.

Mr. MACE: As far as I know, sir, there is no insurance on any government-owned vehicles.

Mr. ROGERS: Not on the vehicle.

Mr. MACE: Well, then—

Mr. ROGERS: I wish you would look that up.

Mr. LALONDE: The driver of a departmental vehicle is not obliged to take out any insurance policy because the government is always its own insurer.

Mr. ROGERS: That is on the car, but I do not think the government will be responsible for an injury, or something like that, arising from an accident, or where the other car is damaged.

Mr. LALONDE: The government could be responsible if the accident was caused by the negligence of the driver.

Mr. ROGERS: Well, I would like to have that clarified.

Mr. LALONDE: I am sure of that.

Mr. ROGERS: It did not use to be that way. I drove a departmental car for a few years and I had to take out insurance.

Mr. MACE: On yourself?

Mr. ROGERS: Yes—public liability.

Mr. MACRAE: That is a provincial matter, is it not?

Mr. ROGERS: No.

Mr. LALONDE: We can verify that, but this is the first time I heard of a driver having to insure himself for public liability. I know the owner of a car has to insure himself and I believe it was recently in one of the Ottawa newspapers that the suggestion was made that it should be the driver of the car and not the owner who should take out the insurance. However, I do not think this is the current practice now.

Mr. ROGERS: Well, it may not be.

Mr. MACRAE: He is saying that the federal government compels you to take out insurance.

Mr. ROGERS: They carry their own insurance on the cars.

Mr. MACE: As far as I know, our drivers are not required to take out insurance if they are driving a departmental car. I am thinking now of some of the chauffeurs we have. The only insurance of which I am aware is on the vehicle itself, and if it is a government-owned vehicle then, in accordance with government policy, there is no insurance coverage on that car.

Mr. ROGERS: The government is then letting themselves in for something.

Mr. MACRAE: They are their own insurers.

Mr. LALONDE: They do the same thing in the field of fire insurance; they are their own insurers.

Mr. STEWART: That is an accepted practice; a lot of the large companies do the same thing.

Mr. ROGERS: I certainly drove my own car later on and we had that opportunity, but when I had a departmental car the government did not care about the car; they cared about the insurance,—and as far as public liability was concerned, I certainly had to have it.

Mr. WEICHEL: I had to take out insurance when I was driving my own car as a supervisory postmaster.

Mr. LENNARD: A man driving his own car for this department has to have public liability insurance on the car.

Mr. LALONDE: Yes.

The CHAIRMAN: I think the best way to handle this matter would be to have a formal statement.

Mr. LALONDE: We will do that, Mr. Chairman.

The CHAIRMAN: The matter will be clarified at our next sitting. We will now proceed to item 450, veterans welfare services. The details are on page 553.

450. Veterans' welfare services (including the former veterans insurance branch)..$3,540,739

The CHAIRMAN: Gentlemen, we have with us this morning the director of welfare services, Mr. Garnet Parliament. We welcome you to the committee, Mr. Parliament, and turn you over to the members at this time.

Mr. G. H. PARLIAMENT (*Director General, Veterans Welfare Services Branch, Department of Veterans Affairs*): Mr. Chairman, I wonder if before we proceed I could make a short preliminary statement.

The CHAIRMAN: Yes. Will you proceed.

Mr. PARLIAMENT: This vote provides for the payment of salaries and general administrative expenses of the veterans' welfare services branch, both at head office and at our district offices, as well as the administrative expenses incurred in the district management of war veterans allowances and the administration of the assistance fund. Also provided are the costs of conducting investigations and reviews for other branches of the department and other agencies of the government, including service benevolent funds, and the cost of operating a general welfare service.

This vote now includes the costs incurred for the administration of the Returned Soldiers' Insurance Act and the Veterans Insurance Act. Veterans insurance staff is divided into appropriate sections to deal with policy issues, policy changes, applications for surrender, payment of death claims, and statistics.

At the request of the Department of National Defence, certain welfare services are provided to members of the armed forces and their dependents. When compassionate leave, posting or discharge is requested by a member of the forces because of some domestic hardship or emergency, national defence may request a report on home circumstances to assist in making an administrative decision. At the same time, any possible welfare assistance is rendered, either by counselling or by referral to appropriate community health and welfare agencies, where these exist. Occasionally, it is necessary to maintain contact with the home to assist in working out an alternative solution which will not disturb the member's service.

The work for the Department of National Defence involves maintaining a social worker, with a clerical staff, as full-time liaison officer at national defence headquarters.

The branch works in close co-operation with national welfare organizations such as the Canadian National Institute for the Blind, the Canadian Paraplegic Association and the Canadian Hearing Society, and funds are provided in the veterans' welfare services vote to reimburse these societies, in part, for the services they render to veterans. In addition, close liaison is maintained with the Dominion Command of the Canadian Legion, the National Council of Veterans, the War Amputations of Canada and the Hong Kong Veterans Association.

The work of the branch, which now includes the administration of veterans insurance and vetcraft shops, is carried out under the direction of the director general of veterans' welfare services, who is assisted at head office by a small supervisory staff. In the larger district offices, the branch is divided into three major divisions, namely, casualty welfare, general services and war veterans allowance. The smaller districts have only two divisions—administration and general services. Each district has a war veterans allowance secretariat which promulgates district authority decisions and directs the flow of applications and reviews through the general services division. This secretariat also serves the district assistance fund (W.V.A.) committees. District establishments include provision for professionally qualified social workers with specific responsibilities in relation to the branch functions. These include case work of difficult social problems, liaison with community welfare agencies, staff development, services to the Department of National Defence and the assistance fund. Special casualty rehabilitation services are established on a full-time basis in departmental hospitals.

Approximately half of the staff employed are qualified workers in the social and welfare fields, the remainder being clerical.

Before completing my statement, I think I should report to this committee on the effects of the two changes in legislation which were concurred in at sittings last year. The average number of policies issued and reinstatements under the Veterans Insurance Act, per month, in 1955-56 was 201, in 1956-57 —93, and in 1957-58 this monthly average had dropped to 59. With the extension of time for applications, concurred in by this committee last year, the number of new policies issued increased to 78 in September, 173 in October, 207 in November, 402 in December, 447 in January and 400 in February. This also brought about a sharp increase in inquiries about the changes and reached 2,607 in the month of November but apparently is levelling off somewhat.

You also concurred in legislation, in last year's committee meeting, for an increase in allowances paid to the children of the war dead concurrent with the discontinuation of pension at age twenty-one years. You will be glad to know that of the total number of children of war dead on allowances at the present time (591) the number of students benefiting from this change is 156, or slightly over 26%.

The CHAIRMAN: Thank you, Mr. Parliament. Have we some questions, gentlemen.

Mr. SPEAKMAN: Mr. Chairman, mention was made of the welfare funds which are handled by that branch. Could you tell us the state of the three welfare funds at the moment; what is their financial status? Are the funds being depleted rapidly or are they holding their own?

Mr. PARLIAMENT: Do you mean the service funds, the army benevolent fund and so on?

Mr. SPEAKMAN: Yes.

Mr. PARLIAMENT: They are not handled by the branch. We do just the welfare work. We carry out the investigations for the army benevolent fund, the navy benevolent fund and the R.C.A.F. benevolent fund. We give them a report on the welfare work.

Mr. FANE: Is this the place where we could discuss the provisions of the war veterans allowance?

The CHAIRMAN: That would come under the war veterans allowance branch, if you could wait until then.

Mr. FANE: Yes.

Mr. MACDONALD (*Kings*): I think this comes under the welfare service, Mr. Parliament. I have had three cases in the last year, or slightly more, of women who, for one reason or another, have been separated from their husbands who were veterans of World War I, and more or less cast off. Is there any assistance of any kind for women in that position?

Mr. PARLIAMENT: Not within the department. If we do run across a case like that, we refer it to the proper provincial welfare agencies who look after such cases. However, we have no responsibility ourselves.

Mr. MACDONALD (*Kings*): Under what principles of veterans legislation does that come? It would seem that these women are rather sad cases which are neglected by some irresponsible husbands. There is no assistance whatsoever for them?

Mr. PARLIAMENT: None. The benevolent fund very likely would look after a case of that kind. We do not, in the department.

Mr. LALONDE: I think that while this does not come under welfare, in the case of a veteran who is in receipt of a disability pension—perhaps Mr. Mutch might have something to add about the deserted wife.

Mr. LESLIE MUTCH (*Acting chairman of the Canadian Pension Commission*): It is possible, in a case where the husband who deserts his wife or fails to maintain her is a pensioner, that the pension commission would have power to administer his pension upon his behalf and to pay an additional pension for the wife together with part of his pension, to be paid to the wife directly, if they are able to satisfy themselves that she has not in fact disentitled herself, and that she is properly a charge on her husband. But that involves, in each case, the pension commission stepping in, and administering the pension.

Very often you will accomplish the matter by seeing the man and having him make a voluntary assignment. But if he refuses to have anything to do with it, and if the commission is satisfied that he should, we may then administer his pension for him and pay part of his pension, together with additional pension, to the wife direct.

Mr. MONTGOMERY: Do you require a court order, let us say, under the Deserted Wives and Children Act, as evidence of desertion?

Mr. MUTCH: The commission very often asks that the deserted wife attempt to establish the desertion through the ordinary courts. But the responsibility of the commission is outside, and we do not always ask; neither are we always bound by a decision of the court.

It can happen that if an order is issued for maintenance, that order will be disregarded. Very recently we had one in excess of 20 years, where the wife made no attempt to enforce the order for maintenance. In fact, I do not think she wanted the husband to know where she was. In any case the husband died and we were faced with a claim, which is not an unusual situation although not too common. While we are not bound to ask for a court order, we have the right to accept a court order as prime facie evidence of an applicant to be maintained.

Mr. HERRIDGE: I would like to ask one or two questions of Mr. Parliament. It is the responsibility of the Department of Veterans Affairs to administer legislation designed for the welfare of veterans after their discharge. During the past years, senior officials of the Department of Veterans Affairs in order to assist in promoting the welfare of veterans after discharge have made representations to the government with respect, either to new legislation, or in respect to necessary amendments to legislation to the advantage of veterans. Is that correct?

Mr. PARLIAMENT: You mean representations made by the department's senior officials?

Mr. HERRIDGE: I mean representations made to the government in respect to amendments required to improve legislation, or for new legislation if it is necessary to protect the welfare of veterans.

Mr. LALONDE: I am not quite sure of what you have in mind, Mr. Herridge, but it would be true to say that senior officials of the department have made recommendations to the minister.

Mr. HERRIDGE: To the minister, yes.

Mr. LALONDE: To improve certain parts of legislation in the veterans charter.

Mr. HERRIDGE: Yes.

Mr. LALONDE: I should say that this is a procedure which is going on all the time. We are revising legislation all the time. I think the minister said in the house last year that he had a long-range plan for reviewing all the acts under the veterans charter.

Mr. HERRIDGE: Yes. I think the minister made some comment yesterday about certain amendments in two bills which are to come before this committee, and that the recommendations came from senior officials.

Mr. LALONDE: That is right.

Mr. HERRIDGE: No doubt the senior officials know that there are quite a number of veterans who have been discharged in recent months who have been unable to obtain employment and who owing to their service in the defence forces are ineligible for unemployment insurance. Consequently they are in a very serious position and in some cases they are having to receive welfare payments or assistance from the provinces.

My question is this: I understand that this matter was considered by the Department of National Defence some years ago, but in view of the departmental responsibility for the welfare of veterans after their discharge, has any representation been made to the minister to consider bringing members of the armed forces under the unemployment insurance act to assure their welfare after discharge?

Mr. LALONDE: I am not sure, Mr. Herridge, whether you are referring to those who served in World War II or those who served in what we call the regular forces in peacetime.

Those who served in World War II are veterans because they served in wartime. But a person who has only served in peacetime has never been considered to be a veteran for the purpose of our legislation. He has decided in peacetime to choose a military career as his occupation in the same way that others choose to become civil servants.

Once he decides to leave the service, as far as our department is concerned he is considered to be in exactly the same position as a person who has severed his connection with the civil service. In other words, we do not consider the man with the peacetime service as being a veteran. Our legislation only covers those with service in wartime.

On the other hand, those who served in the Korean action were considered as having service giving them eligibility as veterans. But other persons who served in peactime only are not veterans for the purpose of the legislation.

Mr. HERRIDGE: The department does not accept the responsibility for members of the armed forces who served in peacetime?

Mr. LALONDE: That is right.

Mr. CARTER: What would be the position of a person who had served in wartime, who had been discharged for a couple of years, and who then decided to enter upon a military career? Would he be a veteran then?

Mr. LALONDE: He would have been entitled to his benefits after his discharge. His service in the peacetime forces will not give him any additional benefits.

If he was out of work after he came out of World War II, he would have been entitled to "out of work" allowances.

We have paid unemployment insurance for those people you are referring to, Mr. Carter. Those are people who served in World War II and who then went straight into the regular forces.

Perhaps Mr. Parliament might explain; but that benefit has now elapsed.

Mr. PARLIAMENT: Yes, that benefit has elapsed. The present benefit is only being paid, I think, on behalf of two veterans who were held over for discharge—who served in the peacetime forces. They came under the Veterans Benefit Act, and they had three years to come out, or at least the benefit was extended for three years after they were discharged, that is, within three years. But in some cases a few of them were held over in Germany and were not able to return in time to obtain their discharge within the three-year period. I think there were only two in December and four in November.

Mr. KENNEDY: What happens to a serving member of the regular forces with no war service who gets disabled and is no longer fit for service? Where does he go?

Mr. LALONDE: A member of the regular forces who suffers a disability due to his military service can get a pension under The Pension Act. Perhaps Mr. Mutch can give us the exact terms of that eligibility.

Mr. MUTCH: The insurance principle with respect to Regular force service, is not in effect as it was in wartime. But there is provision in the Pension Act that a disability which arose out of, or was directly connected with service as such during peacetime service, may be pensionable.

In wartime a man whose disability arose during his service was pensionable by virtue of the fact that he was in the service; but that provision does not apply to the peacetime, regular forces.

However, there is provision, provided the disability arose out of and was directly connected with his service as such. There is one other group, the group that was mentioned a moment ago, who had active force service, and who had a disability which was pensionable incurred during their active service.

It may happen that an aggravation of that disability has occurred during the regular force service. In that case the commission can consider whether or not the aggravation constitutes an increase in his pensionable disability which is the same as if he were employed out of the services.

Mr. KENNEDY: The decision is made by the pension commission based on the evidence which is produced by the person inquiring?

Mr. MUTCH: If the injury arose out of an accident, the commission would ask to have made available to it the evidence which was adduced before the court of inquiry.

Then the commission, as to its responsibility, bases its decision on that same evidence. The commission is not bound by the decision of the court of inquiry. Nevertheless the Commission does have access to the evidence with which the court of inquiry was then faced.

Mr. FANE: I have a question regarding a pension for a man, an officer with dependents. At the time of the war he was going through the Royal Military College and he went directly from there into active service. He served throughout the war and came back but still remained in the service. He died of appendicitis after a couple of years. Are there any benefits for the wife and family?

Mr. MUTCH: Are you asking that question of me?

Mr. FANE: I guess so, or of whoever can answer it.

This case arose at the time the second war broke out. The man was attending the Royal Military College where he graduated and went directly from there into active service. He served throughout the war and afterwards he continued in the permanent forces. He died of appendicitis.

Mr. MUTCH: You are asking me if his widow is pensionable?

Mr. FANE: Yes. Are there any pensions or benefits which the widow or family might receive?

Mr. MUTCH: Unless it could be shown—which I think you will agree is highly improbable—that the appendicitis was due to something which happened to him during his period of active force service, that door would be closed.

The only other avenue would then be to establish that the appendicitis which occurred during the regular force service arose out of or was directly connected with his war service as such. I think you will agree that this probably could not be established. Unless it could, there is no benefit, under The Pension Act, to the dependants.

Mr. FANE: Thank you.

The CHAIRMAN: We are discussing item 450.

Mr. MACRAE: The item regarding professional and special services; just what is involved there?

Mr. PARLIAMENT: Several things. The main charge for this particular vote is for paying doctors of choice for medical examinations under the war veterans allowance, and also for paying leyal fees for prosecutions that may be carried out by virtue of the war veterans allowance, overpayments of re-establishment credits, or veterans who obtained reestablishment credits fraudulently.

In most districts we belong to the social service index, and we pay fifteen cents for every inquiry. That is included in it. At the moment I think I have given you everything, but the big reason for the professional service, or the increase in professional service, is due to the increase in the number of war veterans allowance applications.

Mr. LALONDE: It might be of interest to know that in 1957-58 the amount spent on legal costs out of this vote was $295.

Mr. MACRAE: The bulk of it is for doctors of choice?

Mr. LALONDE: Definitely.

Mr. MACRAE: I think you said that investigation had been carried on for the army benevolent fund and other funds, but that it was done without any charge whatsoever. You said that the salary of the secretary of the benevolent fund was paid by the fund itself but that you conducted all the investigations for them free.

Mr. PARLIAMENT: Only upon request; they must request us to do it, then we carry it out.

When we run across a man who we think may be eligible for assistance under the army benevolent fund, at the same time we carry it out and give them the whole deal, the application and the investigation.

Mr. MACRAE: There are eleven administrative offices under this vote. I assume they are in the districts. Is that correct? I refer to page 553.

Mr. PARLIAMENT: It depends on the grade. Some of them are in the head office, certainly. And the district superintendents in Winnipeg, Toronto, Vancouver and Montreal are all A.O.4's.

Mr. MACRAE: That is the highest grade?

Mr. PARLIAMENT: That is right.

Mr. ORMISTON: Concerning the question of payment of claims under veterans insurance: does it compare favourably as to speed with private companies?

Mr. PARLIAMENT: Yes, it does, very favourably. I sign them, and they watch them very carefully. It all depends on who brings us the documents. They may come through a legal solicitor, or they may just inform us of the death and put in a claim including required documents.

We have to hold back a certain amount of money temporarily, but we do give them a portion of it. We have to hold it back because we have to clear with succession duties and all that. But they are acted upon very quickly, I would say, and they compare very favourably with the line insurance companies.

Mr. MONTGOMERY: Do you require a clearance when the insurance policy is less than $1,500?

Mr. PARLIAMENT: No, I do not think that we do.

Mr. C. F. BLACK (*Secretary of the Department of Veterans Affairs*): There are two provinces which require succession duties. In the province of Quebec there is a release required only where the policies total more than $1,500. Where the policy is more than $2,500 we must get a release from Ontario.

Mr. CARTER: I wonder if Mr. Parliament could tell us this: I know the department does not administer the benevolent fund services, but I wonder if, from your personal experiences, you could tell us whether the payments out of this fund are made in lump sums or on a monthly basis or on what basis?

Mr. PARLIAMENT: You are speaking of the army benevolent fund itself?

Mr. CARTER: Yes.

Mr. PARLIAMENT: They make different arrangements in different provinces and in different cities as to paying out. They may take on a man's debts and lump them together and make some recommendation to their provincial secretary that he get in touch with all the creditors. Then the creditors would get together with the army benevolent fund secretary and they might settle for 50 cents on the dollar and wipe out the whole thing.

There was a case in Nova Scotia where the total debt was over $6,000 and it was settled by a grouping of benevolent funds. It was not only the army benevolent fund but there were other funds that assisted in settling it; and they settled it for $2,000.

They did the settling, and worked it out, and then the other funds came through and assisted them. $600 came from the army benevolent fund in this particular case, and from some other funds that are set up for that purpose, private funds.

Mr. CARTER: Did the members of the forestry corps contribute to this benevolent fund at all? Were they eligible?

Mr. PARLIAMENT: I could not tell you about the army benevolent fund. I do not know if it had any other particular cases.

Mr. CARTER: Are members of the forestry corps eligible for welfare services?

Mr. PARLIAMENT: Not unless they are veterans. Are they considered as veterans?

Mr. CARTER: Oh yes.

Mr. PARLIAMENT: You are referring to the forestry corp in Newfoundland?

Mr. CARTER: As far as Newfoundland is concerned, veterans of the first war were considered veterans.

Mr. PARLIAMENT: There is only one place where there is a benevolent fund for World War I. Ontario has a fairly large amount for World War I. It happens to be over $500,000.

There is no fund of any account in any one of the other provinces. There are a few provinces which have $1,000 or $2,000 for benevolence in connection with World War I, but there are no other benevolent funds set up, or canteen funds, as they were called in World War I.

Mr. HERRIDGE: As everyone knows, all welfare problems are related. The network, or the administration of welfare problems, is becoming smaller and smaller through the years. Is it the practice of the director or of the other officials of his branch on that account to meet with the representatives of other governments in Canada, with other governments outside of Canada, with national organizations in Canada, or with international organizations in order to discuss these problems with them?

Mr. PARLIAMENT: Yes, I would say that is done. Speaking for myself, I am a governor on the board of governors of the Canadian Welfare Council, and I keep pretty closely in touch with matters. We are in touch with the Legion and with other national government or veterans organizations. I am convinced that we know pretty well what is going on. But I would correct one thing; I think that maybe the welfare problem, while it is getting a little less, on the other hand it is becoming more complicated, and it requires a great deal more time now than it did a few years ago. There is no doubt about that in my mind.

Mr. HERRIDGE: And they are inter-related too.

Mr. PARLIAMENT: Yes, that is right, and with all the other veterans organizations that we work with as well. Most people or most organizations which have these veterans have sent them to us. Naturally if there are other benefits available to them, we are aware of the fact, and we see that the others take their place too.

Mr. HERRIDGE: If a veteran under our legislation is unaware that he is entitled to get admission, let us say, to the Shaughnessy hospital, your branch would do its utmost in approaching the provincial authorities?

Mr. PARLIAMENT: I think that is what happens. It would be a treatment matter, but I am sure that is what they do in Vancouver. I know there are a good many veterans who are not on treatment strength, yet who, through representations made about them, are taken care of.

Mr. LALONDE: If he is in a hospital, he will be looked after at the same time by some welfare officer that Mr. Parliament stations right in the hospitals. He has welfare officers in every hospital.

Mr. HERRIDGE: I meant if he was not eligible to go to a veterans hospital because of our legislation, would our welfare people see that he got properly cared for by the appropriate provincial department?

Mr. PARLIAMENT: We would certainly draw it to their attention.

Mr. MACDONALD (*Kings*): The problem I was going to bring up is more or less related to the three benevolent funds. There have been complaints from

many veterans organizations having regard to the fact that the benevolent funds of the three services do not make a public accounting, and they do not know what is going on. I wonder if Mr. Parliament would care to comment on that subject?

Mr. PARLIAMENT: The army benevolent fund definitely make an accounting because they must report to the minister and have their report tabled in the house. As to the navy and air force benevolent funds, there is a statement made after it is passed at their annual meeting.

Mr. MACDONALD (*Kings*): Do you not think there should be some accounting made on a permanent basis? A number of our people in the Legion complain that when representatives of their organization attend provincial conventions, they have a lot of difficulty in finding out what is going on in regard to this fund.

Mr. LALONDE: The army benevolent fund is the only one which was set up by act of parliament. In that act it is laid down that the army benevolent fund will, every year, table a financial statement through the Minister of Veterans Affairs. But the other funds are not set up by act of parliament.

The navy and air force benevolent funds were incorporated under the Companies Act, I believe, and therefore they are not responsible to the Minister of Veterans Affairs. They are bound to obey the law which is set for this type of incorporated company under the Companies Act, but they are not governed by any such legislation as is the case of the army benevolent fund.

Mr. MCINTOSH: As Mr. Parliament has said, I know that they do put out a financial statement each year.

Mr. LALONDE: Yes, and they invariably send a copy of it to our minister.

Mr. MACDONALD (*Kings*): That is a statement made on a dominion basis; it is not broken down by provinces.

Mr. LALONDE: They report on the status of the fund as a whole. Is there any record of their disbursements by provinces? I am sure the fund itself has a record.

Mr. STEARNS: I know that the air force benevolent fund is broken down by provinces. I happen to be a member of the board for the district of Quebec. Besides the annual statement every year we also get out a list of the recipients of grants who have not lived up to their obligations. Sometimes there might be three or four pages of people listed who are not living up to their obligations. Therefore they are on the blacklist, so to speak.

I know that at the end of each year they know exactly how much money is left in the fund and how much has been spent in the province. It is a fairly detailed statement.

Mr. MACDONALD (*Kings*): Since the army benevolent fund was set up by act of parliament, do you think that we should be entitled to have an accounting each year at our provincial conventions of the Legion, for example, and to know what the situation is each year?

Mr. PARLIAMENT: I think any representations like that should be made to the army benevolent fund itself. I could not answer for them. General Murchison is the chairman and Mr. Chadderton is the secretary and he is right here in Ottawa. I am quite sure that they could be approached in the matter.

Mr. MACDONALD (*Kings*): I shall contact him directly on that.

Mr. PARLIAMENT: Yes. You could talk to him directly about that. The naval representative and the air force representative have their offices here. If you wanted them there you would have to make the representations to them.

Mr. MONTGOMERY: I wonder if they were invited to come and give some information to the committee if they would mind coming? I suppose it would be a case where we could not ask them as a matter of right, but they might be glad to come.

The CHAIRMAN: There was something off the record which I did not hear.

Mr. MACDONALD (*Kings*): I just mentioned they had been invited.

Mr. MONTGOMERY: I will withdraw my question.

The CHAIRMAN: The question is withdrawn by Mr. Montgomery.

Item agreed to.

TERMINABLE SERVICES

472. Veterans Benefits, including Assistance and the training of certain Pensioners under regulations approved by the Governor in Council $797,900

The CHAIRMAN: This item comes directly under the responsibility of welfare services. While we have Mr. Parliament before us perhaps we could deal with this item. The details are on page 567. Have you any comment to make on that item, Mr. Parliament?

Mr. PARLIAMENT: Children of War Dead is probably the most important one now. If there are any questions on that I would be glad to answer them. I have the figures with me of the breakdown of the courses for which the children have applied and which have been approved. I can give you that statement if you want it.

Mr. MACRAE: The question I wish to ask is, under the Children of War Dead (Education Assistance) Act, is the benefit to the child cut off at the age of 21 or is he carried to the end of his university course?

Mr. PARLIAMENT: We are limited to four years under the Children of War Dead Act. We can carry them up to the age of 25 but at age 21 the pension is cancelled. The pension goes off, but we now have authority to add $35 in allowance. Instead of getting $25 they will be getting $60 after 21 and 156 have already benefitted by it this year.

Mr. MACRAE: There seems to be a little gap in our legislation at the moment. Normally, in most provinces a child takes twelve years of public school and high school and the average university course in most provinces, for instance in engineering, now is five years and sometimes six years, which means there is a period of two years of the university course for which they are not covered.

If the boy or girl can get a job during the summer they can continue on. However, there seems to be a little gap in the final two years at the university.

Mr. PARLIAMENT: Yes. There is that gap. The medical course would be one example.

Mr. MACRAE: And engineering.

Mr. PARLIAMENT: Would you be interested in the kinds of courses these children are taking?

Mr. HERRIDGE: We certainly would.

Mr. PARLIAMENT: You will be very, very glad to know that the greatest percentage of the girls go into nursing. The courses are in the faculty of arts and science, agriculture, commerce and business administration, industry, education. In engineering and applied sciences we have about twelve different groups, and then we have the fine and applied art, forestry, household science, journalism, law, library science, medicine, music, nursing, pharmacy, physical and health education, physical and occupational therapy; there are two in theology and three in veterinary science. The total is 947. We have 29 in nursing in the universities; I do not have the exact number for the others. I know the greatest percentage of the girls are in nursing.

Mr. McINTOSH: Could Mr. Parliament explain the difference in the figures in the three items, university training, children of war dead, and unemployment insurance? There seems to be quite a variation in the last estimate.

Mr. PARLIAMENT: The children of war dead will increase. University training is for World War II and that is gradually being finished. The unemployment insurance is finished. I think I said a little earlier there are only two persons who came under the unemployment insurance in the month of December. These were late discharges from the army. The legislation was finished in July, 1958, but because they had been kept in Germany and were not discharged until later on in the year we did pay unemployment insurance benefits on their behalf.

Mr. McINTOSH: What do you say about the children of war dead?

Mr. PARLIAMENT: It is increasing.

Mr. McINTOSH: By 25 per cent?

Mr. PARLIAMENT: The increase is made up by the legislation which we passed last year.

Mr. FANE: Mr. Chairman, do I understand correctly that these young persons whose university courses are paid for are the ones whose parents received at least a 50 per cent disability pension from one of the wars, or is there some other qualification? That is at the time of death.

Mr. PARLIAMENT: Yes. That is quite correct.

Mr. FANE: At least 50 per cent? Or if less died as a result of his disability.

Mr. PARLIAMENT: Yes.

Mr. WEICHEL: One gentleman mentioned something about twelve years at school for the child and only three years practically for university, and Mr. Parliament mentioned there were some groups who are there longer. Is there any way that can be reconsidered?

Mr. LALONDE: The title of the act was Children of War Dead (Education Assistance) Act. At that time I think it was designed as a measure of assistance, not as a rehabilitation act in the same way that the original one was designed right after the war for the veterans themselves. A limit was placed on the period of assistance because it was meant to provide what was called higher education.

In the act itself there was no mention of university training as such. It was felt then that perhaps university training would be a small percentage of the whole project. I think that in effect it is a small percentage of the whole project. You must remember, Mr. Weichel, that we tackled this thing in 1954 with absolutely no previous experience in a scheme of this kind. As the act develops and we have more and more experience in the type of studies which are chosen by the various children there may be adjustments which will have to be made. But I think we must have the benefit of a certain period of experience before we can come to parliament and say: this has cost so much over a period, this is what has been accomplished, and it is recommended we spend more money and enlarge the terms of reference. Then it will be up to parliament to decide whether or not they want to do that.

Mr. PUGH: Following up Colonel Lalonde's words, the act was set up many years ago under unknown circumstances. I would suggest we do make the recommendation in respect of the children who come along and are in the specialized categories requiring the extra allowance for two years or so. There cannot be many in that group. It would seem to me with all the discussions on education and increased amounts for education, and this happening to be Education Week, that this would be a good recommendation to have

go forward. Would it not be possible to see that this money is advanced for completion on repayment or by an outright grant?

Mr. ROGERS: Do you not think that under this act as it stands now, whether it be in respect of engineering or medical training, it leaves it up to the student himself to some extent?

Mr. ORMISTON: The student has certain responsibilities himself.

Mr. ROGERS: Yes.

Mr. MACDONALD (*Kings*): All students have the responsibility of furthering their own education and making do, but I am only thinking of those who possibly are not in a position to do it. Surely there should be something available to them to enable them to finish their university course, that is for those who are unable to put themselves through in the final years.

Mr. WEICHEL: I had a case where the father felt he would be able to give his boy an education after he became 21 years old, but the father became unemployed and it was up to a few private individuals to help him financially in order to carry that boy through with his education.

Mr. HERRIDGE: Mr. Chairman, I am very sympathetic with Mr. Pugh's proposal. However, this is in the nature of policy and it would have to be discussed as a result of representations from the Legion or some other organization.

The CHAIRMAN: It could only go forward from this committee as a recommendation.

Mr. PUGH: That is all it was intended to be.

Mr. O'LEARY: Speaking on this recommendation, there was a case mentioned which I do not think could apply because the father was mentioned. I am wondering if any members of this committee know of serious cases of hardship as a result of this gap? Personally, I do not know of any.

Mr. LALONDE: I must say we have not heard of any. We believe that where the child has gone through three or four years of medicine under this plan, and he is not eligible for further assistance because of the limitation in the act, he may be able to find other means such as bursaries and loans for completing his studies.

I have not expressed any opinion and, as Mr. Herridge has pointed out, this is strictly a matter of policy. All I did was to give you the background of the act when it was first enacted and it is written in black and white that this is "an act to provide assistance for the higher education of children of the deceased members of the armed forces". The words "higher education" were used as a very general term.

Mr. WEICHEL: In a case such as my own, if I had a boy whom I wanted to send to university, the age limit is the same, 21 years?

Mr. MUTCH: Exactly.

Mr. LALONDE: For the payment of a pension on behalf of a child?

Mr. WEICHEL: Yes.

Mr. LALONDE: Not for payment of university fees and allowances.

Mr. MUTCH: I took it for granted that was the case.

Item agreed to.

The CHAIRMAN: War service gratuities. Are there any questions on this?

Mr. KENNEDY: These will all come up for study under the bills?

The CHAIRMAN: Yes. If you wish to wait until that time we will have a thorough opportunity to review this.

Mr. LALONDE: You may have to report on the estimates before the bills are discussed.

The CHAIRMAN: As long as it is clear with the committee we could proceed that way.

TERMINABLE SERVICES—*Concluded*

(S) War Service Gratuities (Chap. 289, R.S.) ..... $ 10,000
(S) Re-Establishment Credits (Chap. 289, R.S.) ..... $ 1,600,000

Items agreed to.

473. 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 o have derived hereunder either no benefit or a benefit that is less than the amount of the compensating adjustment or payment made ..... $ 225,000

The CHAIRMAN: Is there an explanation on this item? There is a long explanation in the book.

Mr. LALONDE: This will be discussed in detail I imagine when you are studying the bill which will be placed before the committee on the War Service Grants Act. I can assure you we will give you an adequate explanation at that time. I can give it now, but it would be a repetition.

Mr. HERRIDGE: I can also assure you we will have adequate questions.

Item agreed to.

455. Veterans' Bureau ..... $ 625,296

Mr. BADANAI: Are you skipping item 451?

The CHAIRMAN: We dealt with treatment services the other day. Dr. Crawford was here before us.

Mr. BADANAI: Unfortunately I have a question which I wish to ask. The question, whether or not I will obtain an answer to it, concerns a father who served for 5½ years in the Army Medical Corps during the last war. He was registered at the unemployment insurance office as a hospital orderly. However, he was given a job with the Canadian National Railways as a car inspector helper. He worked for 7½ years until September 10, last. He received unemployment insurance, after being laid off, of $28 a month as a married man with three children. A week before Christmas he received a call from the unemployment insurance office offering him a job on the city's winter work program. He was unable to take that employment. He felt his physical condition was such that he could not accept that type of work. So he was advised if he failed to report for work he would be disqualified for unemployment insurance benefits. Now he wants to reregister as a hospital orderly, which was his registration in the first instance. The reason he is now disqualified from receiving any further unemployment insurance benefit is because he refused to accept the job offered him. It is a sad case. This man served for 5½ years.

I have taken the matter up with the unemployment insurance office but they say they have the law to observe and that is it. I am wondering if there is any provision in the act under which this man may be helped? That is all I want to know.

Mr. LALONDE: Not in respect of unemployment insurance. He comes under their act. But is he a veteran?

Mr. BADANAI: Yes. He is a veteran with 5½ years' service.

Mr. LALONDE: I wish you would give his name to Mr. Parliament and we will see what we can do for him from a welfare angle.

Mr. BADANAI: Thank you very much.

The CHAIRMAN: We will now proceed with the veterans bureau. We have Brigadier Reynolds with us this morning who is chief of the bureau.

Mr. P. E. REYNOLDS (*Chief Pensions Advocate*): Would you like me to make a short statement?

The CHAIRMAN: Yes.

Mr. REYNOLDS: Mr. Chairman, and gentlemen, I am the chief pensions advocate and in charge of the administration of the Veterans bureau. When I last appeared before you I explained the functions of the bureau in some detail. I would like to say that the volume of the work has continued to be great. Each year which passes adds to the number of documents to be reviewed and summarized and there is the difficulty of tracing witnesses and obtaining evidence of incidents which took place a number of years ago. Consequently, each individual application becomes more difficult to prepare and is more time-consuming.

The bureau, as you all know, through its advocates assists on request any veteran or veteran's dependent with his or her problems under the Pension Act. In addition to the help of the bureau, a veteran or his dependent may obtain assistance from any of the service bureaux of the various organizations, or he may at his own expense obtain his own counsel. The service bureaux of the veterans organizations are not in any way connected with the veterans bureau; they operate entirely independently, but the veterans bureau is pleased to cooperate with them or with the applicant's counsel in every possible way. Mr. Chairman, this is all I wish to say in a general vein.

The CHAIRMAN: Are there any questions?

Mr. CARTER: I am wondering how you managed to cut down the travelling expenses by half?

Mr. REYNOLDS: The previous year contained a number of removal expenses.

Mr. HERRIDGE: What type of removal?

Mr. LALONDE: Perhaps I might explain that. There are two items which we include in our travelling expenses; one is the cost of travelling between the head office and the district offices. For instance, if Mr. Reynolds wishes to visit some of his advocates in the district offices this is covered under this heading. His expenses are paid in the normal way. Travelling expenses also cover the cost of transferring an employee of the department to another position within the department but in another location.

One case which comes to my mind immediately is that there was a competition held last year for an assistant to Mr. Reynolds in Ottawa. The person who won the competition was the advocate in Edmonton. As a result of that, he had to come to head office and it is government policy to pay the cost of his transportation, and the cost of his expenses of moving his family to Ottawa.

As a result of that one competition alone we had to appoint a successor to the pension advocate in Edmonton, and the man who won that competition was a pension advocate in another district.

Mr. HERRIDGE: I judge these are quite reasonable expenses. The Auditor General has not made any comment on these moving expenses in his report.

Mr. LALONDE: Perhaps the one factor which made this amount of removal expenses so high was that for only these two positions a man was transferred from Edmonton to Ottawa and the replacement was transferred from Halifax to Edmonton. That, of course, does not enter into consideration as far as we are concerned in choosing the person who we think is the best man for the job. It does not matter where he is.

Mr. MONTGOMERY: If a new man had won the competition and was not in the service at the time would you pay his expenses if he was in Vancouver?

Mr. LALONDE: No.

Mr. MONTGOMERY: There may be a question as to whether the policy should be changed in that respect.

Mr. MATTHEWS: There was a case of a man who remarked it cost around $1,900 to move his family from Vancouver to Ottawa. He was employed by quite a large firm. It is the usual practice.

Mr. MACDONALD (*Kings*): I would like to ask about the part-time solicitor. I see there has been a reduction from eight to four. Is there any reason for that? Also does a part-time solicitor have to observe so many hours a day or are the hours specified?

Mr. REYNOLDS: In Saskatoon and Regina we previously employed part-time solicitors as advocates in those two places and then we decided to use one full-time advocate to look after both centres. He resides in Regina and looks after Saskatoon as well.

The answer to the second part of your question is that the part-time advocate is expected to devote fifty per cent of his time. But if there is not sufficient work to keep him going fifty per cent of the time at the office we do not expect him to sit there doing nothing when he could be otherwise occupied in his own law practice. The idea is to spend sufficient time to do the work properly.

Mr. MACDONALD (*Kings*): What about the question of a veteran who expects him to be in the office at certain hours, and then when he arrives there is no one to see him?

Mr. REYNOLDS: There will be a clerk on duty and he can make an appointment for him to see the advocate. A good many advocates, even if they are only part time, will come from their own office to the departmental office if they are interested in seeing them. This is true particularly in cases where the veteran has come from a distance.

Mr. MACDONALD (*Kings*): Is that not an unsatisfactory arrangement? Should they not have to be there certain hours in order to accommodate the veterans?

Mr. REYNOLDS: Most of them do have set hours, either the mornings or the afternoons.

Mr. PUGH: For what reason would the veteran be seeing the advocate?

Mr. REYNOLDS: To make a claim under the Pension Act.

Mr. PUGH: To make a claim?

Mr. REYNOLDS: To continue a claim under the Pension Act.

Mr. PUGH: Is it felt it is necessary to have a solicitor for that?

Mr. REYNOLDS: It is not essential, but often quite helpful.

Mr. CARTER: Along that line, I am thinking particularly of Newfoundland, where we have a part-time advocate. I notice Mr. Reynolds said work was increasing, that there was more paper work, and I presume that applied to Newfoundland as well.

I have two questions. Has the situation in Newfoundland developed to a point where we could use a full-time solicitor and if not, is not the amount of work the solicitor would have to do dependent in Newfoundland at least upon the number of appeal boards held? I say this because veterans coming from all over Newfoundland would not congregate in St. John's to see a solicitor unless he was going to appear before the appeal board.

Mr. REYNOLDS: The answer to the first question is that the work in St. John's, Newfoundland is not sufficient to warrant the employment of a full-time advocate. But I have taken steps since you raised the point last

year to see if arrangements cannot be made, and authority has been obtained, to pay the advocate in Newfoundland a higher salary than he has been receiving in the past. However, he is going to be asked to do more travelling as a result of receiving a higher salary. Does that answer your question?

Mr. CARTER: That answers my question in part; but the other point I made was that the work this man would have to do was dependent to a large extent on the frequency of the visits from the appeal board.

Mr. REYNOLDS: No, it depends on the frequency of the visits from pension applicants, the number of people who come to interview him. The number of claims he has to prepare is what determines the volume of work.

Mr. CARTER: The point I am making is this: a person from an outlying settlement would not go to the trouble of spending $200 and take up two weeks of his time to go in to St. John's to see this solicitor unless at the same time there was an appeal board being held there, and he would have the solicitor's services before the appeal board.

Mr. REYNOLDS: No, the normal practice in any client interview is for the legal adviser to see him long before the matter ever gets before the court or the appeal board. His function is to instruct him and tell him what he wants done, where witnesses can be found, and what is the basis of the claim—everything that needs to be done before the appeal board arrives.

Mr. CARTER: That explains why the official in Newfoundland has so few visits and has so little work.

Mr. REYNOLDS: Newfoundland is not any different from British Columbia in that respect. In the case of long distances to remote places, a great amount of this work must be done by correspondence.

Mr. CARTER: Have you not a full-time man in British Colulbia?

Mr. REYNOLDS: That is quite true, but nevertheless that does not alter the fact of the distance between the applicant and his adviser.

Mr. CARTER: A full-time official would have much more time to travel and visit the different districts.

Mr. REYNOLDS: He does not travel all his time.

Mr. CARTER: But he would travel a fair percentage of the time.

Mr. REYNOLDS: No, not even a fair percentage of his time; he makes occasional visits to the interior.

Mr. KENNEDY: It is all based on the number of applications.

Mr. REYNOLDS: Most of it is done by correspondence.

Mr. MONTGOMERY: The Canadian Legion does a great deal of it as well.

Mr. REYNOLDS: Yes, and welfare officers of the welfare services help us a great deal. They do a lot of travelling; they interview witnesses and obtain statements for us which help us a great deal.

Mr. CARTER: There is a problem there. The veterans cannot always put on paper the answers to the questions which the solicitor wants.

Mr. REYNOLDS: That is right. He should be interviewed wherever possible; we know that.

Mr. CARTER: Due to the financial circumstances of most veterans in Newfoundland and the time involved in making this trip to St. John's, together with the expenses involved, they are unable to take advantage of the solicitor's advice.

Mr. MUTCH: If I understood Mr. Carter correctly he was asking whether or not it would be possible to have the applicant see the advocate at the time the appeal board was there.

Mr. CARTER: Not exactly, but I said that would be helpful.

Mr. MUTCH: The difficulty is this: before the pension commission will set down a case for hearing at an appeal board in Newfoundland, or elsewhere, the advocate has to prepare the case. The applicant has to certify that all the evidence is in and that they are prepared and ready to proceed. That notification then has to come to the commission; and we require at least six weeks' notice, and a sufficient number of cases to arrange our itineraries to have an appeal board sitting. The applicant must certify he has no more witnesses and that all his evidence is in.

Mr. HERRIDGE: Are all persons employed as solicitors by the veterans bureau veterans; and are all the persons employed as solicitors qualified under Canadian law?

Mr. REYNOLDS: In answer to your first question, all the pension advocates are veterans at the present time. We are very alarmed as to whether we will be able to find replacements for them when they retire. We are doing everything we can to ensure they always will be veterans but we are not certain whether or not we will be successful in that respect.

In answer to your second question, all the solicitors or advocates, with the exception of three, are solicitors. To the best of my knowledge they are all qualified solicitors and presumably they are all qualified in some province in Canada.

Mr. MACDONALD (*Kings*): I am still concerned in regard to the question of the hours of part-time solicitors. These men are paid. They are given half the salary of a full-time solicitor, is that not correct?

Mr. REYNOLDS: Yes, approximately.

Mr. MACDONALD (*Kings*): Well, I would prefer to see them take their work to the veterans affairs office and be there at certain hours, rather than to have a veteran come in and say: I want to see the pensions advocate, and he has been there for perhaps an hour and has left. I think that is a very unsatisfactory arrangement as far as the work of part-time solicitors is concerned. The veterans know that they are being paid to give a service and it is equal to half the time of a normal solicitor. I do not think that policy is very good.

Mr. REYNOLDS: Well, I think most of the advocates do have regular hours.

Mr. MACDONALD (*Kings*): But there is nothing laid down, for example, that they should be there from two to five, or two to four, and so on.

Mr. LALONDE: That is pretty hard to do. If a man is in legal practice how can he say he will always be in the veterans office from nine to twelve every morning. He could very well have an importance case in court next Thursday and he cannot be in the veterans affairs office. But if he cannot go in the morning he will have to spend the afternoon there. We cannot lay down a policy that they will have to be there from eight-thirty to twelve-thirty every morning, or from two to five every afternoon. You cannot do that.

Mr. MCINTOSH: Why not?

Mr. LALONDE: Because it would be impossible for him to conduct his law practice.

Mr. MCINTOSH: He is being paid for it.

Mr. LALONDE: He is only being paid for half a day.

Mr. MCINTOSH: That is correct.

Mr. LALONDE: So we do not care whether he gives us the half day in the morning or the afternoon, provided we get a half day every day.

Mr. MCINTOSH: That is correct.

Mr. LALONDE: But what Mr. Macdonald wants is for us to say he will have to come in every morning.

Mr. MCINTOSH: Or afternoon.

Mr. LALONDE: That is the case now, either morning or afternoon. However, it is not laid down that it will be in the morning or in the afternoon. He has to choose between one of the two every day, but he is not tied down to being there every morning.

Mr. MCINTOSH: Supposing the veteran comes in the afternoon; he comes in from some distance and he has to wait overnight to see the advocate the next morning. Why should he have to do that? If it was laid down that he would be there every morning, that would be different.

Mr. LALONDE: They are attempting to make appointments for veterans who come from out of town; and if a veteran writes in and says he would like to see the pension advocate, they will tell him to come in three days from now at nine or ten in the morning. In that case the advocate will be there. But if a veteran does not write in and he arrives in North Bay, for instance, at four o'clock in the afternoon and goes to the district office he may find that the pension advocate is not there in the afternoon but is there in the morning. You cannot help that sort of thing; he will have to wait until the next morning to see the advocate. However, he could still come to the district office and see the assistant to the pension advocate, who is not a lawyer, but who would be able to find out what he wants. In every case he could probably help him out. By the same token, if we suggest they must be there every afternoon, a veteran could very well come in on the morning train and have to wait until the afternoon to see the pension advocate. You cannot lay it down as a hard and fast rule.

Mr. MCINTOSH: Are your full-time pension advocates solicitors?

Mr. REYNOLDS: Yes, all but three.

Mr. MCINTOSH: Are they allowed to take any other cases?

Mr. LALONDE: They are allowed to do any kind of work outside of working hours.

Mr. MCINTOSH: What are their working hours?

Mr. LALONDE: Eight-thirty to five.

Mr. MCINTOSH: When a fellow is getting paid half the salary, can you not put down working hours for him as well?

Mr. LALONDE: A fellow who works from eight-thirty to five does not have to run another office, but the lawyer who is giving us part-time services must of necessity, if he is going to earn a living, do some legal business on his own. If we accept that principle, then you have to enable him to conduct that business and you cannot set the hours from two to five in the afternoon, and say: that will be the time when he will attend at the D.V.A. office because he could very well have to appear in criminal court at nine o'clock one day and at two-thirty the next afternoon. The courts are not going to adjust their hours to suit any individual lawyer.

Mr. PUGH: Would it not be a better idea to put the whole thing on a fee basis, as it would seem to me that would be a cheaper way of doing it?

Mr. LALONDE: I think you are getting on slippery ground here. We are convinced that it is cheaper to do it on a part-time basis. We have had some experience with the doctors and the distinction between a part-time duty payment and a schedule of fee is quite pronounced.

Mr. PUGH: Well, being a lawyer myself, it would seem to me that from the point of view of efficiency all around it is much better to have an appoint-

ment, conclude the appointment and put a fee in for that, than taking a half day and possibly trying to fill it in.

Mr. LALONDE: If you are speaking as a lawyer, and I am also speaking as a lawyer, I think we are both in agreement. But I am afraid I have to speak as an administrator at the moment.

Mr. PUGH: I take it your answer then is in two different ways.

Mr. LALONDE: I agree that we must get half a day's work from each part-time advocate every day. However, it should not be laid down that it will always be in in the morning or it will always be in the afternoon.

Mr. MACDONALD (*Kings*): I do not agree with the deputy minister on that point. I think we should look at this from the veterans' angle. The veteran should be able to know whether he is going to find a pensions advocate there in the morning or in the afternoon. That has been done in our district in respect of the doctors. A part-time doctor comes in for treatment service in the afternoon and the veteran knows he will be there. He is there for certain hours and he is there to accommodate the veteran for a half day for a specified time. I do not see why the solicitor cannot arrange his program in the same way I think he should. He is getting paid for half a day.

Mr. LALONDE: The specialists in all hospitals are working on appointments. But if a veteran comes in by bus or by train and has made no appointment he cannot be sure he will find a consultant.

Mr. MACDONALD (*Kings*): I was not speaking of specialists. I was speaking of a paid treatment service officer who is employed half-time.

Mr. LALONDE: What treatment officer?

Mr. MACDONALD (*Kings*): There is a doctor employed at Charlottetown half-time.

Mr. LALONDE: I know what you mean. For a time there was a senior treatment medical officer in Charlottetown who was employed only on a half-time basis. He was a man reaching retirement age and had no other practice.

Mr. MACDONALD (*Kings*): He had other practice.

Mr. LALONDE: We did not know about this.

I agree with you it would be better for the veterans to know there is going to be a lawyer in every district office waiting for them. However, I do not think it would be fair to hire a full-time lawyer and pay him as a full-time lawyer when we know very definitely he would not have enough work for more than half a day every day.

Mr. MACDONALD (*Kings*): We are not asking for that. We are asking for a man to be there at specific times; either in the morning or in the afternoon.

Mr. LALONDE: Are we not running around in circles?

Mr. FORTIN: Being a lawyer myself and my brother being a doctor, I agree with the deputy minister. My brother arranges his programs as he wishes, but we do not. If we have a case in court in the morning or in the afternoon we have to be there. If we want the veterans lawyer to be in the office every morning and he should have a case in court in the morning he has to be in court; his case might also come up in the afternoon.

I know a part-time lawyer with the department in Quebec who tried for three months to be there every morning but he could not do it. We do not arrange our work. We are dependent on the court and whenever our cases come up we have to be there.

Mr. MCINTOSH: Do not some cases take more than half a day and many of them take three days. In that case you would never be in the office.

Mr. FORTIN: It happens.

Mr. PUGH: What does the solicitor get for half-time or part-time?

Mr. LALONDE: $3,330 a year.

Mr. PUGH: That certainly would not be out of the way as against a fee basis, if there is full employment for half a day in every day.

Mr. LALONDE: The trouble with a fee basis is that in this line of work it is pretty difficult to say there will be a fee of, let us say, $200 for every case before the appeal board or $50 for every summary of evidence. Every case varies so much that you would have to set a scale of fees within the schedule.

Mr. PUGH: Is that not possible?

Mr. LALONDE: It would be very difficult. Certainly from our experience with the medical aspect of the work where we have both part-time payments for some doctors and a schedule of fees for doctors who only work for us occasionally, proportionately speaking it always costs a little more in the schedule of fees than in the part-time payments.

Mr. PUGH: Have we had any complaints that by appointment or otherwise a man has not been able to see a solicitor? Have there been any complaints, or a series of complaints.

Mr. REYNOLDS: I have never had a complaint from a veteran, but I have heard of complaints from veterans organizations. I might say when I was in Saskatoon before I came here I was a practising solicitor and the part-time pensions advocate. I know the problems of a practising solicitor when you get involved in a case which may take several days and you do not do your work as a pensions advocate; but on the other hand you may get involved in an appeal board hearing as an advocate which takes two days, and that means that you are unable to spend that time in your law office. So it balances up.

In Saskatoon I heard of only one complaint that I was not in the office when anyone wanted to see me. I urged everybody to make appointments. If they say they will be there at two o'clock next Thursday, the advocate will be there. If appointments are made it eliminates all that trouble.

Mr. MACDONALD (*Kings*): I think most of the veterans feel they are entitled to find a pensions advocate in the office at a certain time, part-time.

Mr. BATTEN: May I ask a question? On the estimates presented by the department on page 3 under the second column for salaries there is $589,972 and for travelling expenses, $18,000; that is on page 3. Coming over to the blue book, the total for salaries is $598,972; that is for 1958-1959. The total for travelling expenses is $9,000. Is there any reason for the $9,000 being moved from travelling expenses?

Mr. MACE: I think, as Mr. Reynolds explained, we ran into a rather heavy removal expense this year and the appropriation which was approved by parliament was inadequate to cover the expenses. We had a little surplus fund in salaries, and with the approval of treasury board, we transferred $9,000 from one primary to another. The figures you have in the folder I gave you are really the effective figures we worked on. The figures in the blue book were voted by parliament last year.

Mr. BATTEN: Thank you very much.

Mr. MONTGOMERY: Have you had any complaints from solicitors in the districts that they are not receiving very good cooperation from outside doctors? I am speaking of occasions when they are trying to obtain statements from doctors who are part-time or who are these doctors who are looking after the veterans, when they are preparing a case for appeal.

Mr. REYNOLDS: From departmental doctors or ordinary practitioners?

Mr. MONTGOMERY: Is it difficult to obtain that information at times.

Mr. REYNOLDS: There is always some difficulty in securing the attendance of a private practitioner at an appeal board hearing, particularly if he has to travel any distance.

Mr. MONTGOMERY: I am thinking of information in preparing any case.

Mr. REYNOLDS: No. I never heard of any trouble in obtaining the reports.

Mr. O'LEARY: The full-time pensions advocate in Halifax, Mr. Coleman, over and above his pensions work, I believe, handles a great number of inquiries, advises, and initiates procedure on almost every type of inquiry from veterans. We feel this is a very invaluable service. I wonder if you condone and encourage that type of work.

Mr. REYNOLDS: As far as I know, all Mr. Coleman did was prepare claims under the Pension Act and perform the duties of a departmental solicitor.

Mr. O'LEARY: We do use him—I do, and I know of veterans in my constituency who do—on other than pension claims; it is very valuable.

Mr. HERRIDGE: He is to be commended.

Mr. O'LEARY: I certainly commend his work—very much so.

Mr. ROGERS: I do not think this question of the part-time solicitor is settled. I think we are all anxious to see that the veteran gets the best service he can get. I was wondering whether, if you tied a solicitor down, would you get the right kind of a solicitor. There is some merit in what the deputy minister has said. If you are going to get a good solicitor you are certainly not going to be able to tie him down to the mornings. In Toronto you would not get him at $3,300 a year.

Mr. LALONDE: I believe that they consider their work for the department as a retainer in their over-all practice. I think all of those who have practised law, at one time or another are always tempted, whether it be through government employment or through some other arrangement, to build their office on one or two clients who give them retainers which pay the rent, the secretaries' salaries and then the rest is profit.

Mr. ORMISTON: Gravy.

Mr. LALONDE: These people consider their employment with us as a retainer. However, I must say I am often amazed at the amount of work and time that the part-time advocate gives to these cases.

I know one, for instance, in Kingston, Mr. Cunningham, who is an extremely busy lawyer in civilian practice. He is giving us very good service. As far as pension claims are concerned he is known as one of the better advocates in presenting claims before the appeal boards.

I think for the amount in respect of the retainer that we are getting value worth over $3,300. We do not have part-time people in very many places; but I am sure where we have part-time men—I think Mr. Carter will bear me out on this as he knows one in Newfoundland who is a first-class lawyer—I think we are very fortunate to have these arrangements in those places.

The CHAIRMAN: We have passed the twelve-thirty mark, gentlemen, which is normally the hour for adjourning. I see one or two members who wish to ask questions. Shall we wind up the veterans bureau during the next few minutes or shall we adjourn?

Mr. MONTGOMERY: I move we adjourn.

The CHAIRMAN: I would remind you that on Monday we will have the war amputations and the Hong Kong veterans association before us. The hour of the meeting will be eleven o'clock.

The committee adjourned.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

RECEIVED
MAR 19 1959
LIBRARY of PARLIAMENT

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

Estimates 1959-60 of the Department of Veterans Affairs

MONDAY, MARCH 9, 1959

WITNESSES:

Messrs. Alan Bell, Keith Butler, A. J. Parsons and Allan Piper of War Amputations of Canada; Messrs. Charles Clark, Lionel Hurd, John Stroud and Walter Henderson of the Hong Kong Veterans Association of Canada; Mr. Paul Theriault, Secretary of War Claims Commission; Mr. Lucien Lalonde, Deputy Minister of Veterans Affairs and Mr. Leslie A. Mutch, Acting Chairman, Canadian Pension Commission.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

20799-3—1

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.,

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

and Messrs.

Badanai	Herridge	Peters
Batten	Jung	Pugh
Beech	Kennedy	Roberge
Benidickson	Lennard	Robinson
Broome	Macdonald (*Kings*)	Rogers
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

House of Commons, Room 112-N

MONDAY, March 9th, 1959.

The Standing Committee on Veterans Affairs met at 11:00 o'clock a.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Badanai, Batten, Benidickson, Broome, Carter, Clancy, Dinsdale, Fane, Herridge, Kennedy, Lennard, Macdonald (*Kings*), MacEwan, McRae, Matthews, McIntosh, Montgomery, O'Leary, Ormiston, Parizeau, Pugh, Robinson, Rogers, Speakman, Stearns, Stewart, Thomas, Weichel.

In attendance: From the Department of Veterans Affairs: The Honourable A. J. Brooks, Minister of Veterans Affairs; Messrs. L. Lalonde, Deputy Minister, F. T. Mace, Assistant Deputy Minister; L. A. Mutch, Acting Chairman, Canadian Pension Commission; F. J. G. Garneau, Chairman, War Veterans Allowance Board; G. H. Parliament, Director-General, Veterans Welfare Services, P. E. Reynolds, Chief Pensions Advocate; C. F. Black, Secretary of the Department; R. Bonnar, Assistant Departmental Secretary; J. E. Walsh, Director of Finance, Purchasing and Stores, with his assistant Mr. A. F. Graves; Mr. J. G. Bowland, Research Adviser, Mr. G. S. Way, Chief of Information

From the War Amputations of Canada: Messrs. Alan Bell, Dominion Secretary; Keith Butler, Council Member; A. J. Parsons, Dominion Treasurer, and Allan Piper, Special Services officer.

From the Hong Kong Veterans Association of Canada: Messrs. Charles Clark, National Secretary, Toronto; Lionel Hurd, Ray Stoddard, Sawyerville, P.Q.; Bert Delbridge, Winnipeg, John Stroud, Walter Grey, Toronto; Walter Billson, Walter Henderson, John McKiver, Sherbrooke.

From the War Claims Commission: Mr. Paul Theriault, secretary.

The Chairman invited the Minister to address the Committee, whereupon Mr. Brooks welcomed the two delegations appearing.

It was agreed that the two submissions would be read one after the other, and that questions be deferred on either one until after completion of the reading of the briefs.

Mr. Alan Bell read the brief on behalf of the War Amputations of Canada, and Mr. Lionel Hurd read the brief on behalf of the Hong Kong Veterans Association of Canada.

The Chairman then read a telegram from Mr. Stanley Harpham, President, Canadian Corps Association, in support of the brief being presented by the Hong Kong Veterans Association of Canada.

The Committee then considered the brief presented on behalf of the War Amputations of Canada, with Messrs. Bell, Parsons, Butler and Piper under questioning. Messrs. Lalonde and Mutch were also questioned on various aspects of the brief.

At 1:05 o'clock p.m. the Committee took recess.

20799-3—1½

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

Members present: Messrs. Badanai, Batten, Benidickson, Broome, Carter, Clancy, Dinsdale, Fane, Herridge, Kennedy, Lennard, Macdonald (*Kings*), MacEwan, MacRae, Matthews, McIntosh, Montgomery, O'Leary, Ormiston, Parizeau, Peters, Pugh, Rogers, Speakman, Stearns, Stewart, Thomas, Weichel.

In attendance: All those listed as in attendance at the morning sitting with the exception of Mr. F. J. G. Garneau, Chairman, War Veterans Allowance Board.

The Committee continued consideration of the brief of the War Amputations of Canada.

At the conclusion thereof the Chairman thanked Mr. Bell and his associates for their contribution on behalf of the War Amputees. Mr. Bell in turn thanked the Chairman and the Committee for their consideration.

The Committee then considered the brief submitted on behalf of the Hong Kong Veterans Association of Canada.

Messrs. Hurd, Clark, Henderson and Stroud spoke on behalf of the Association, while Mr. Paul Theriault, Secretary, War Claims Commission, and Mr. Mutch, Acting Chairman, Canadian Pension Commission, answered specific questions relating to the brief of the Hong Kong Veterans Association of Canada.

At the conclusion of the study of the brief by the Hong Kong Veterans Association of Canada, Mr. Broome moved, seconded by Mr. Stearns, that copies of the War Claims Report of the Advisory Commission of February 25th, 1952, by Honourable J. L. Ilsley, Commissioner, be supplied, if available, to all members of the Committee.

Mr. Clark thanked the Chairman and Committee for the reception accorded the delegation of the Hong Kong Veterans Association of Canada. The Chairman in turn thanked Mr. Clark and his associates for their valuable submission.

At 5:30 o'clock p.m. the Committee adjourned to meet again at 11:00 o'clock a.m., Thursday, March 12, 1959.

Antoine Chasse,
Clerk of the Committee.

EVIDENCE

MONDAY, March 9, 1959.
11 a.m.

The CHAIRMAN: Order, gentlemen, we have a very good turnout bright and early on Monday morning. No doubt this is due to the influence of the marching farmers who arrived in Ottawa this morning.

Mr. BROOME: You mean this is a safe haven, Mr. Chairman?

The CHAIRMAN: We have also other groups of distinguished visitors to Ottawa this morning in the persons of members of the war amputations association and the Hong Kong veterans association. They will be presenting briefs to us, and then we can discuss the substance of the briefs as soon as it is desired by the members of the committee.

We also have the minister, the Hon. Alfred Brooks, with us this morning. We are very pleased, Mr. Minister, that you can be with us to extend official words of welcome to these associations. The minister's duties are onerous and if it meets with the approval of the members of the committee, perhaps it would be advisable to have both briefs read while the minister is with us; and then we could delay the discussion until after the second brief has been read. What are your wishes in this regard?

Agreed.

The CHAIRMAN: Without any further ado, Mr. Minister, the committee is yours.

Hon. ALFRED BROOKS (*Minister of Veterans Affairs*): Thank you very much, Mr. Chairman. It gives me great pleasure to hear the chairman say my duties are onerous. A lot of people do not recognize that; they think ministers have nothing to do at all.

Mr. STEWART: Pretty soft.

Mr. BROOKS: It is a pleasure for me to welcome the two groups that are here this morning; they are not strangers to me. I have sat in on a good many committees with them when they presented their briefs on former occasions. I have formed many personal friendships with the members of the war amputees and Hong Kong veterans; and I want to say to them personally, collectively and individually, that I am very pleased indeed to meet them here again this morning. I know the chairman is very pleased to have them come to the committee and present their briefs.

I think I have a fairly good idea of the subject matter of the briefs, both of the Hong Kong veterans and the war amputees. I can assure them they will have very sympathetic consideration from this committee. I might say I do not wish to flatter these gentlemen; but they are a very good committee indeed, and I am sure they will give every consideration to the briefs that will be presented. These, of course, are matters which the government has to consider and we will not know what action will be taken until later on.

I do not think there is anything further I wish to say, Mr. Chairman, at the present time, except again to express my pleasure at seeing the members of this committee here this morning.

Oh yes, there is another matter to which I would like to refer. I would say to the members of the war amputees that I am a little disappointed that my good friend, padre Lambert is not here. As far as our war veterans are concerned he has become an institution. He has been attending all our meetings for a good many sessions. I am sorry he is not here, but I am pleased to hear his health is quite good. I am sure we all know while he is not here in body he is certainly here in spirit. We all miss him very much.

We have, of course, three members of the House of Commons who belong to the war amputees, Mr. Weichel, Mr. Pierre Sevigny and Mr. Kennedy and we are very proud of their representation in the house. We are very pleased that we have these very distinguished members. Mr. Weichel and Mr. Kennedy are members of this committee.

The CHAIRMAN: Thank you very kindly, Mr. Minister, for your words of welcome.

The first presentation will be made by representatives of the war amputations association. Mr. Alan Bell, the dominion secretary, will present the brief.

Perhaps we should introduce the group of four who are supporting Mr. Bell this morning. There is Keith Butler who comes from Kitchener; he is a member of the council. I presume Mr. Butler is a very close friend of "Mike" Weichel.

Mr. WEICHEL: They all are.

The CHAIRMAN: And we have Mr. "Jim" Parsons, who is the dominion treasurer—he is the custodian of the treasury; and Mr. Allan Piper who, I believe, is the special services officer as well as being the manager of the car licence tag operation. I hope everybody has subscribed to the car licence tag operation this year.

Mr. ALAN BELL (*Dominion Secretary, War Amputations Association*): Mr. Chairman, Mr. Minister, and gentlemen: I may say also that we are sorry Padre Lambert, our dominion president, cannot be with us today. However, he has sent us here to do this job. We are looking after him and he has our blessing.

The brief is before the committee, and I would like to read it. When I come close to the end of this brief, there is one small matter which was brought to our attention before we left Toronto yesterday that I would like to comment upon.

This submission is made on behalf of a specific group of Canada's high disability pensioners—The War Amputations of Canada. Ours is not a large membership and, through death, it is decreasing rapidly. Our total membership at the moment is 2,600.

We wish to assure you of our appreciation of the opportunity afforded us of presenting for the consideration of this committee certain matters which are of serious concern to the members of our organization. We are hopeful that an exchange of viewpoints wil prove to be a means of reaching mutual understanding.

Our association also wishes to express its thanks for the various changes in veterans' legislation during the past year, which have resulted in material benefits to our members. There are, however, major problems which, in our opinion, remain unsolved. It is our purpose today to present to you our reasons for seeking legislative action to remedy them.

Hospitalization and Treatment

The question of free hospitalization and treatment of non-pensionable disabilities of the war disability pensioner is one that has been of grave concern to our membership for many years. Even with the removal of pension as income from the means test applied under section 13 of the treatment regulations, which

took effect last year, the high disability pensioner still lacks adequate protection from financial disaster due to injury or disease not directly attributable to his war service.

As evidence of this concern, a resolution was passed at our last convention in Victoria, B.C., in October 1957, giving a mandate to our dominion executive to proceed with a publicity campaign with the object of informing the Canadian public that major war disability pensioners were ineligible for free hospitalization and treatment for all conditions—a fact of which the majority of people seem unaware.

The officers of our association decided that, before embarking on such a campaign, it would be only fair and reasonable to place the views of the membership before the government in order to provide an opportunity for study and consideration of appropriate remedial action.

There is no doubt that amputation imposes a continuous physical and nervous strain on the disabled individual, which frequently results in disorders which reasonably might be attributed to his disability. Whether these conditions are related directly or indirectly to his disability the war disability pensioner feels justfied in asking governmental responsibility for his care.

In provinces which have adopted the hospital care insurance he is relieved of the cost of hospitalization, but he still is forced to pay medical and surgical charges of amounts which may leave him financially crippled—and very often do.

The high disability pensioner—who has consistently made a valiant effort to rehabilitate himself—is aware that war veterans' allowance cases are automatically accorded free hospitalization and treatment at all times for any condition. It is not surprising that he feels with considerable indignation he is being discriminated against. It is our firm belief that the seriously disabled veteran in receipt of pension should not be penalized because of his successful efforts to obtain and hold employment in an endeavour to provide a measure of security for himself and his family.

We ask your thoughtful consideration of this exceedingly important matter, and of our request for amendments to the veterans treatment regulations which will remove the present causes of distress and resentment among the members of our association.

Pension—Basic Rate

It is the contention of our membership that, due to the decreased value of the dollar and the increased cost of living, real hardship is being experienced by the war disability pensioner.

When the pension came into being in 1916, the basic rate was established on the earning power of unskilled labour, the rate set for 100 per cent war disability being $600 per annum, or $50 per month.

While this has been augmented from time to time over the intervening years, increases have lamentably failed to keep pace with earnings of unskilled labour which, at present (according to the dominion bureau of statistics) is between $250 and $300 per month, as compared with the maximum war disability pension of $150 per month.

It is also to be noted that when the last increase came into effect on July 1, 1957, the wife's allowance was raised to $50 per month, but no provision was made for an advance in the rate payable for the pensioner's children. It cannot be denied that if the cost of living has increased for the pensioner and his wife, it has increased correspondingly for his children.

We bring these facts to your attention with a request that this committee will recommend to the government that favourable consideration be given to granting an increase of 33⅓ per cent in the war disability pension across the board.

Damages—Accidental Death

Under present legislation (sections 20, 21 and 22 of the Pension Act), the widow of a pensioner in classes 1 to 11 who is killed as the result of negligence of some person, is not allowed damages without a commensurate reduction in her widow's pension. In other words, Canada, not the widow, receives the damage settlement, although the widow is liable for hospital, funeral, and other expenses incurred by the accidental death of the pensioner.

It is our considered opinion this practice is grossly unjust, and we do not believe it is the intent of either parliament or the Canadian people that the widow of a pensioner should be thus penalized in such circumstances.

Private resources are not considered in the payment of old age pension at 70 years of age. The value of a deceased's estate is not taken into consideration in civil courts when judgment is awarded to widows in cases of accidental death. Why, then, should pension payable to the widow of a pensioner—which we maintain is hers "as of right"—be subject to the procedure now in force under the Pension Act when she is awarded damages?

We would strongly recommend that the relevant sections of the act be amended to provide that damages recovered for the accidental death of a pensioner in classes 1 to 11 shall not be taken into consideration in relation to payment of pension to his widow.

Imperial Pensioners' Widows

For several years before the widows of Canadian high disability pensioners who die from other than pensionable causes were granted a pension, a resolution seeking this was pressed consistently as "No. 1" in our program. Recent convention resolutions ask that a similar benefit be granted to widows of high war disability ex-imperials, with twenty or more years of residence in Canada.

No one can deny that the widow of the high disability ex-imperial is in a most unenviable position by direct comparison with the widow of a high disability Canadian ex-serviceman, who has benefited from her husband's much higher disability pension during his lifetime, and is guaranteed $115 pension a month after his death.

The widow has not the slightest responsibility for the fact that her husband served in the British forces. She is simply a female Canadian citizen who is debarred from benefits open to other female Canadian citizens under parallel personal circumstances, due to causes over which she had no control. Her national contribution in caring for a war-disabled citizen is in no way inferior, and her comparative need cannot be questioned.

These facts place her claim on a different plane from that on which pension requests on behalf of living ex-imperials must necessarily be considered. That this belief is reasonable can be assumed from the fact that certain ex-imperials are now granted the benefit of war veterans' Allowance after ten years residence in Canada. They had no established right to it, statutory or otherwise. But, due to circumstances beyond or within their control, they became Canadian citizens in need because of their service in the common cause. We ask that the high disability ex-imperial widow's problem be approached from a similar standpoint.

To illustrate the contribution in citizenship made by our ex-imperial members and the widows they may leave behind them, we wish to quote figures. Of the 70 ex-imperials in our association, 47 are married men on imperial rates, and their widows, in all probability, will not be entitled to pension from the British government. 28 of these are 1st war, and their average of residence in Canada is 33 years. 19 of them were married in Canada to women already established here, and in 7 of these marriages the woman was also born in Canada. The average length of married life is 25 years. The remaining ex-imperials on imperial rates are 2nd war, and their average residence in Canada is 8 years.

The Children of War Dead (education assistance) Act

Our association was very much interested in the amendments to this act which were introduced and approved at the last session of parliament. Our views were communicated to the chairman of this committee, who was kind enough to read them into the proceedings of your meeting of August 1st.

Ever since the inception of this act, our association has felt that it should be broadened to include certain groups whose deaths occur subsequent to war service, and are not directly attributable to war service.

We were encouraged by the decision of parliament to include the children of those who lose their lives while serving with the armed forces in peace time. It was our hope that the amendment would also encompass the children of members of this association pensioned under classes 1 to 11 of the Pension Act, on whose behalf pension continuous to be paid, regardless of the cause of death of their fathers.

At present the wording of the act is obscure in so far as the position of the children of our members is concerned, when death occurs as a result of non-pensionable condition. At our last convention a resolution was passed, requesting that clear entitlement be established in the act for the children of of pensioners in classes 1 to 11.

One of the provisions of the veterans charter was the opportunity of a university education afforded those who served in World War II. It is the conviction of our members that similar opportunities should be made available by the federal government for the children of those who were seriously disabled in that war, and whose lives have been, and are being, foreshortened.

Conclusion

In conclusion, we wish to express our appreciation of this opportunity which you have given us to express our views, and for your courtesy in receiving us today. If you have any questions, or would like further information concerning the points covered in our brief, we shall do our best to be helpful.

Mr. Chairman, I wonder if I may comment on one other item that was brought to our attention? I would first like to read this to you.

Just before we came away we learned of a new ruling by the Canadian pension commission on the subject of consequential disabilities. It concerns aggravation by pensionable conditions of post-discharge conditions—consequential disabilities. It appears to introduce an entirely new principle to the administration of pension legislation, a principle which is contrary to previous policy of long-standing duration concerning consequential disabilities. As far as we can learn, there is no provision in the Pension Act for this change in procedure, unless, of course, the commission is acting under section 5 of the act, which gives it unrestricted authority and jurisdiction, subject to the provisions and regulations of the act.

To illustrate the change in procedure, let us use the case of a war veteran who is pensioned at the rate of 80 per cent for amputation of the left leg above the knee. In post-war years he suffers injury to his other leg. After treatment and medical opinion, the commission rules that he has a consequential disability in his other leg which most likely would not have arisen had it not been for his war amputation, and they rule that the other leg is disabled to the extent of 20 per cent. In making such awards through the years, the commission has ruled them as "related to the pensionable disability and to carry the same entitlement".

Now, however, under new policy, the commission will determine the degree of aggravation over a given period during the post-war years, and take a fraction of it, for example, 1/5, 2/5, or 3/5 so that in the example I have used the 20 per cent disability could be reduced to 4 per cent, 8 per cent, and 12 per cent.

It is, therefore, alarming to our association, as it will be to other major disability groups, that this new policy has been introduced. We contend that if the pensioner had not sustained a war disability during service, he would not have developed the consequential disability. We believe the pension commission shared this view in dealing with hundreds of such cases over the past several years by granting pension for the full degree of the consequential disability. If this new ruling continues in effect, is it the intention of the commission to review the large volume of previous awards for related disabilities, and change the basis of entitlement by attempting to assess the degree of post-war aggravation?

We bring these views to your attention, with the request that the policy be reviewed in the light of the remarks we have made today.

Thank you again, Mr. Chairman, and I repeat that if we can be helpful in answering any questions we will be glad to do so.

The CHAIRMAN: Thank you, Mr. Bell.

Mr. HERRIDGE: Mr. Chairman, in order to develop orderly discussion I suggest the members ask their questions on each recommendation in succession.

The CHAIRMAN: Yes. Were you here, Mr. Herridge, when we commenced our sitting this morning?

Mr. HERRIDGE: Pardon me; I am sorry. I came later.

The CHAIRMAN: We are going to proceed with both briefs while the minister is here. Then, we will follow your suggestion of covering the discussion on an orderly basis.

Representing the Hong Kong veterans association we have quite a substantial delegation this morning from various parts of Canada. Before we call their spokesman I think we will have each representative stand and make his bow so that he can be properly identified. I have a list, but I do not know whether or not it is in order. I will call the names of the representatives as they appear on the list which I have before me.

Mr. Charles Clark, who is the national secretary, from Toronto; Mr. Lionel Hurd, from Sawyerville, Quebec; Mr. Roy Stoddard, also from Sawyerville; Mr. Bert Delbridge, from Winnipeg, Manitoba; Mr. John Stroud, from Toronto; Mr. Walter Grey, Toronto; Walter Billson, Sherbrooke; Walter Henderson, Sherbrooke—there are a lot of "Walters" here this morning—and John McKiver from Sherbrooke. I believe that covers the whole group, Mr. Clark?

Mr. CHARLES CLARK (*National Secretary, Hong Kong Veterans Association*): Yes, Mr. Chairman, that covers the whole group.

The CHAIRMAN: Now we will be pleased to listen to your presentation.

Mr. CLARK: Mr. Chairman, Mr. Minister, Captain Hurd is going to present the brief because my eyesight is bad. Would you like Captain Hurd to go ahead?

The CHAIRMAN: Captain Hurd, will you proceed?

Mr. Lionel HURD (Hong Kong veterans Association): Mr. Chairman and members of the standing committee on veterans affairs: I regret to inform you that Mr. "Cliff" Roy, our national chairman, who works on war claims, is unable to attend here this morning, due to ill health in his family. I am sure you would have been very pleased to have him. He has been a spark plug in our organization ever since it started. The task falls on me to represent him here this morning.

I believe it is permissible for me now to proceed with reading our brief. Before I commence, I would like to mention that we have been on many occasions in contact with the Minister of Veterans Affairs. I assure you we have always received all the courtesies anyone could expect. On many occasions we have sought his very sound advice. As you realize, the Hong Kong veterans are an association. We have four branches, one in Toronto, one in

Quebec, and one in Winnipeg, and we are very pleased that we are now having one in Vancouver. That one completes our organization. In our ill-fated force "C", as the Hong Kong veterans are now known, we have people living from St. John's, Newfoundland right across to the other side of our country, on Vancouver island. I think we have something like twenty members on Vancouver island. *Our brief was amended to date of 11 Sept. 1958 (This brief cancels all previous briefs re claims for forced labour) to be presented to the honourable Henri Courtemanche, Secretary of State and the honourable A. J. Brooks, Minister of Veterans Affairs on behalf of the Hong Kong veterans association of Canada (ex-prisoners of war of the Japanese.)*

Whereas:

The Geneva convention of 1929 was signed by Germany, Italy and Japan, but not ratified by Japan. However, Japan notified the protecting powers that she would apply and uphold the 1929 Geneva convention and signed an agreement to this effect in Berne, Switzerland in February 1942 according to Mr. Claud Pilloud, central agency for prisoners-of-war. Mr. Pilloud states that Canada was represented and was a party to the agreement. It is clear, therefore, according to the best legal authority in the United States, England and Australia, that Japan was bound to apply the terms of the convention as were the other nations who signed and ratified it relating to the treatment of prisoners-of-war.

The Geneva convention states (in part):

Article 1. Prisoners-of-war must be at all times humanely treated, and not subjected to acts of violence or insult.

2. Adequate housing, similar to that used by the captor power.

10. Food to be similar to quantity and quality as that supplied to depot troops of captor power. Collective disciplinary measures regarding food prohibited.

11. Clothing and footwear to be supplied and regularly replaced.

12. Proper sanitation of camps, prevention of epidemics, proper sanitation and washing facilities must be supplied.

13. Adequate sick quarters and medical treatment to be provided.

14. Prisoners are not to be used as slave labour.

29. Prisoners are not to be used in any work directly connected with the operation of war.

31. Prisoners are not to be used for dangerous or unhealthy work.

And whereas:

Japan did for almost four years, starve, torture, murder, deliberately withhold medical treatment, use prisoners-of-war as slave labour on war operations, force them to labour in dangerous coal, copper and iron mines, without safety devices, withheld and stole food, clothing, medical supplies sent by the International Red Cross. Japan thereby flagrantly broke the Geneva convention of 1929. and the agreement ratified at Berne, Switzerland, in February 1942.

Therefore be it resolved:

1. That the Secretary of State for Canada and the Minister of Veterans Affairs be notified that the Hong Kong veterans association of Canada representing all Canadian ex-prisoners-of-war of the Japanese do make claim against monies held in the Canadian war claim fund realized from enemy assets held in Canada at the conclusion of World War II—that this claim be to the amount of $1.50 per day per man for *forced slave labour* for the Japanese.

2. That the Secretary of State be requested to have the war claims regulations amended to provide for the payment of $1.50 per diem per man for forced slave labor by the Japanese from the war claims fund to the Hong Kong ex-P.O.W.'s.

3. The United States government paid out of enemy assets to all prisoners-of-war of the Japanese entitled to a war claim, $1.00 per day for starvation and maltreatment and $1.50 per day for forced slave labour, for each day spent in Japanese prison camp. It is understood that the Australian and New Zealand governments also paid out similar amounts to former prisoners-of-war of the Japanese.

4. It may also be pointed out that these prisoners-of-war were deprived of any opportunity of promotion in ranks.

If you will excuse me, I would like to add a little note here. I understand the American forces which would include at least those people who were in the battles of Bataan and Corregidor and in that specific area at that time, were all upgraded one rank.

It is to be noted that American prisoners-of-war in the far east were automatically upgraded a rank on release from internment.

5. That the Hong Kong veterans association of Canada be reimbursed, in part, to the extent of $15,000 for the cost of making all their representations to Ottawa on behalf of their veterans. This money could have been used for badly needed welfare work among the veterans.

May it be drawn to your attention, please, that the veterans charter of Canada states in the foreword: "Canada has brought forth legislation for veterans which is surpassed by no other nation." We only request that this Legislation be honoured.

My colleagues have adequate proof for all the statements I have read to you from this brief. Thank you.

The CHAIRMAN: Thank you, Captain Hurd.

Now, gentlemen, first we will proceed to consider the brief presented by the war amputations association of Canada.

However, before we launch the discussion, I have a telegram to place on the record from Mr. Stanley Harpham, the president of the Canadian corps. The telegram reads as follows:

> Mr. Walter Dinsdale,
> Chairman,
> Standing Committee on Veterans Affairs.
>
> The Canadian corps association strongly supports the brief being presented on March 9 by the Hong Kong veterans.

It is in reference as you will have seen, to the Hong Kong veterans, so it comes at the right place in our discussion.

Having placed that telegram on the record, shall we proceed to a discussion of the war amputees brief. The first subject on page 1 is hospitalization and treatment. Are there any questions? Mr. Bell, do you want to take your place in the seat of honour. Mr. Bell will answer any questions you wish to propound.

Mr. BADANAI: Could we have the number of those disabled and in hospital now, by provinces?

The CHAIRMAN: Do you mean the number by provinces of the members of the association?

Mr. BADANAI: Yes.

Mr. BELL: I am sorry, but I do not have those figures.

Mr. McINTOSH: I wonder, Mr. Chairman, if under each one of those headings we could have a summarized statement by one of the veterans and then an answer by the department as to why it was not put into force. In this way, it would give us a little background.

The CHAIRMAN: Well, Mr. McIntosh, I think the submission of the brief covers the summary. Is there any point you wish to have enlarged upon?

Mr. McINTOSH: I would like to hear what the department has to say. I presume this has all been brought up before, and denied.

Mr. HERRIDGE: Mr. Chairman, the officials of the department could explain the actual regulation to members of the committee, but I do not think officials should be called upon to say why certain things had not been done; they are not responsible.

The CHAIRMAN: I think, Mr. Herridge, you are quite right in that interpretation; and I think all that the officials of the department can do this morning, Mr. McIntosh, is produce statistics by way of qualification, or information that would provide a helpful background.

Mr. HERRIDGE: I suggest that what Mr. McIntosh is seeking is an explanation from a suitable official of the department regarding treatment regulations, under which this section deals.

Mr. McINTOSH: Yes, that will bring it out.

The CHAIRMAN: Unfortunately, Dr. Crawford is not with us this morning. As we learned in our committee last week, he is absent from the city this week. I do not think there is anyone who can substitute for him in order to provide the information you require.

Mr. LUCIEN LALONDE (*Deputy Minister, Department of Veterans Affairs*): I am unable to substitute for Dr. Crawford.

The CHAIRMAN: You are just too modest.

Mr. LALONDE: I say this for many reasons. First of all, I can never reach his height, nor do I possess the knowledge of medicine which he has.

The CHAIRMAN: I presume all the gentlemen with us this morning are acquainted with Colonel Lalonde, the deputy minister.

Mr. THOMAS: Along that line, one of the first things we come to is the matter of hospitalization; and that brings into question the effects of the new national hospitalization plan as it was put into effect in the various provinces. I believe Mr. Lalonde or the minister could summarize briefly for us what the thinking is in regard to this matter. It might help us to understand it better.

Mr. LALONDE: Mr. Chairman, I can only state what the present policy is and how it applies. The policy all along has been that a disability pensioner is entitled to free treatment at any time for his pensionable disability. He gets that treatment under specific sections in the treatment regulations, sections 5, 6 and 7 among others.

In addition to that, certain other groups of veterans who have no entitlement as of right, in the same way that pensioners do, have been made eligible under the treatment regulations. The most imposing group amongst these is the group composed of war veterans allowance recipients.

The policy has been followed that, for treatment purposes, these veterans can be considered as indigent and therefore can be treated for any disability at any time while they are recipients of war veterans allowance. They receive that treatment under section 12 of the treatment regulations.

In addition to that, there are other veterans who are non-pensioners—and veterans who are pensioners—who can receive treatment under section 13.

This section was designed for the purpose of affording treatment on a graduated scale to a number of veterans who, because of their economical circumstances, could not afford to pay all or part of the treatment which they needed.

Then, in addition to that, under section 23 of the regulations any veteran can come into hospital and receive treatment, if he pays the cost of it. This last group is composed of all those veterans who are financially better off than the other groups.

Under section 13 the government recognized last year that the high disability pensioner who had no other income was placed at a disadvantage. This was because the veteran's pension was the means by which he exceeded the amount laid down under section 13 of the regulations to determine the scale of payment. The policy was approved of, exempting the pension completely. Previous to that, 25 per cent of the pension was exempt; but as of last year the whole pension has become exempt. Therefore a high disability pensioner who has no other income can come in under section 13 and receive treatment, and either pay no part, or a small proportion of the cost.

A high disability pensioner who has other income which places him above the maximum level is in the same position as the veteran who is hospitalized under section 23 and has to pay the cost. In the main, those are the four groups of veterans eligible for treatment under the regulations.

The CHAIRMAN: Are there any further questions, gentlemen?

Mr. CARTER: Mr. Chairman, it has been said that the total membership of the association is 2,600, and that is probably decreasing. Can the witness say how many wives there are in Canada? Are all the wives included in this figure of 2,600? How many would there be outside this association?

Mr. BELL: Mr. Chairman, this is based on what we call "regular membership". In other words, we have a record of 2,600 war amputation cases. I would say there could be maybe another 800 war amputation cases of whom we have no record. We know there are about another 800.

Mr. CARTER: 3,500 people are affected?

Mr. BELL: From both world wars and Korea.

Mr. MONTGOMERY: Mr. Chairman, I would like to ask Mr. Bell, in view of the deputy minister's explanation as to treatment, whether he feels that they should receive something special, something more than the other disability pensioner?

Does your group, in view of the explanation given, still feel that you are not treated equally? In view of the deputy minister's explanation on the treatments, Mr. Bell, does your group still feel that they are not being treated equally, compared with other disability cases?

Mr. BELL: Of course, under the present regulations we are receiving equal treatment; but it is our contention that the regulations should be drawn to afford us the same treatment as war veterans allowance cases receive.

Mr. MONTGOMERY: You are, are you not? What is the difference? A war veteran cannot get war veterans allowances, can he, unless he is a pretty poor man?

Mr. BROOKS: Unless he is indigent and cannot afford it.

Mr. BELL: If I may, I would like to ask Mr. Allan Piper to say something on this resolution.

The CHAIRMAN: Certainly.

Mr. ALLAN PIPER: Mr. Chairman, actually what we seek here is something that has been requested over many years—that is, free treatment for any and all conditions.

I have attended a number of your committee meetings in the past and I can recall—and I think some of the members of the committee here will probably recall the same thing—that many members of the committee expressed surprise on learning that the 100 per cent, or high disability pensioner, was not entitled to treatment for all conditions, whether pensionable or otherwise, if he required hospitalization and treatment.

The point that we are getting at here is that a disability pensioner has to work hard to accrue a little nest egg. He has to work harder than the ordinary individual. But if anything should happen to him and he should require prolonged treatment and hospitalization for a non-pensionable disability, that little nest egg is very quickly, under present conditions, depleted. That is actually the bone of contention we have with this particular regulation; it does not cover us for conditions other than pensionable disability.

Mr. HERRIDGE: Mr. Piper, is it correct to ask this question of you? Although a number of your members would earn something in addition to their pension and are thereby denied by the present regulations the right to receive free treatment, a good percentage of them need this free treatment because of the limited nature of their assets?

Mr. PIPER: That is right.

Mr. LALONDE: If they have qualified under section 13 as far as assets are concerned, they can get treatment either free or at the reduced scale.

There is one other thing I forgot to mention when I was giving the details of the treatment. In the case of a disability pensioner coming in to be treated for his pensionable disability, and needing treatment for other disabilities at the same time, there is no charge made for the treatment of those other disabilities.

Mr. HERRIDGE: I have experience of that, Mr. Minister. I was examined only a year or two ago and I was very pleased with the footnote on the medical report, which said, "All Mr. Herridge's organs are those of a man ten years his junior."

Mr. ROGERS: Mr. Piper, in view of the deputy minister's clarification on this point and the government's reassessment, is this still an issue?

Mr. PIPER: Absolutely, sir.

Mr. ROGERS: I would like to be able to see it. I just cannot see it.

Mr. MONTGOMERY: I would like to ask another question of the deputy minister or the minister, Mr. Chairman. Let us consider the case of a man who works. What is the level of wealth or income he must have before he gets free treatment? Can you give us any idea as to that

Mr. LALONDE: Yes, Mr. Montgomery. That is governed by a scale set by treasury board in conjunction with the treatment regulations governing eligibility under section 13 of the regulations.

The basis of eligibility is what we call "adjusted income". This is arrived at by taking the veteran's actual income for the past six months and his anticipated income for the next six months—that is, his gross income for that period—and from that is deducted all of his pension, if he is a pensioner; also, $660 for his first dependant and $150 for each additional dependant.

Mr. MONTGOMERY: That is per annum?

Mr. LALONDE: Yes. That is deducted from the amount of gross income that we have assessed in the first place.

We also deduct from the balance any amount in excess of 3 per cent of his income which he has spent in the past year on medical or hospital expenses either for himself or for any member of his family.

Mr. BROOME: Does that include dental treatment?

Mr. LALONDE: Yes, the same as for income tax purposes.

Mr. STEWART: That is 3 per cent of the gross earnings for the year?

Mr. LALONDE: Three per cent of the gross earnings. Anything in excess of that is deducted.

He is not eligible for treatment under section 13 if that adjusted income exceeds $2,500 a year. When all the adjustments have been made, this means that a man with a gross salary of between $3,600 and $4,500, depending on the size of his family, can be eligible under section 13.

Then there is a graduated scale of charges. If a man's adjusted income is less than $1,080 a year, he pays nothing. If it is more than $1,080 but less than $2,500, he pays 2 per cent of his adjusted income for each $100 of his income. He pays that amount as the cost of his hospitalization.

The net result is that a man with a low income can be in hospital for a long period with no charge. A man with a fair income—let us say, an adjusted income of $2,400—can be in hospital for two days and he will have to pay the full charge for the two days. But there is a ceiling over which he will not pay during any one year.

And that is the ceiling set by the scale, here. So that the purpose of this section is to prevent the sort of thing that has been worrying the association in their brief this morning—that is, the very high expenses for a prolonged hospitalization.

Mr. BROOME: What is the ceiling?

Mr. LALONDE: $2,500, adjusted income.

Mr. BROOME: But you said extraordinary expenses.

Mr. LALONDE: The maximum is about $480.

The CHAIRMAN: I might say at this point that there is an excellent little booklet summarizing all these measures under the title of "When Illness Strikes"; and I presume, Mr. Black, that that is being supplied, along with the documents requested the other day.

Mr. C. F. BLACK (*Departmental Secretary, Department of Veterans Affairs*): No, the present booklet is somewhat out of date. We prefer not to issue it when it is not accurate.

Mr. PUGH: Mr. Chairman, when mention was made in regard to deductions made, I gathered it all applied to income. Does it make any difference at all what capital assets a man might have—house or bonds, or whatever he may have? Does that apply?

Mr. LALONDE: Yes. No charge will be made at any time in respect of resources, which charge would reduce the resources below $500 where there are no dependents and $1,000 where there are dependents, and where treatment is for less than thirty days.

Mr. PUGH: Well, what I was getting at is the basis of the adjusted income. You take his income for six months previous, and you make certain deductions. There was no talk there of a man's capital assets.

Mr. LALONDE: That is what I am explaining now.

Mr. PUGH: How can they make a payment from a man's capital assets?

Mr. LALONDE: They do not.

Mr. PUGH: Where does this $500 come in?

Mr. LALONDE: If the veteran has cash assets; because resources means cash in hand or in the bank, negotiable bonds or marketable resources—that is what we mean by resources, not a house or a car. We mean negotiable assets. If he has those and his treatment is for less than thirty days, and he is married, no charge against his assets will be made, if they are $1,000 or less; but if he has $1,500 in cash and his treatment costs $200, irrespective of his income a charge will be made for that treatment.

Mr. PUGH: Well, we will say a man has not any income at all except for his pension, and he has $1,500 in cash. In that case, could there be a deduction?

Mr. LALONDE: From his assets?

Mr. PUGH: Yes.

Mr. LALONDE: Yes.

Mr. PUGH: Now we have a man who has an $8,000 dwelling, is on pension, and has no income. No deduction could be made in that event?

Mr. LALONDE: That is possible.

Mr. PUGH: So a man with cash who rents a house might be in a worse position.

Mr. LALONDE: Yes, that happens. We have never been able to get around the difficulty in veterans allowances or treatment services of including a house in negotiable resources. It has always been the policy not to do anything which would endanger the position of the veteran with respect to the house in which he lives.

Mr. PUGH: I would like to follow it through just a bit further. Take, for example, a man who cannot afford to buy a modern house, and we will say he has $4,000 in cash. If he is living on his pension alone and is not employable, he might find himself in a very bad position when he requires treatment. In other words, in view of the money which he is paying for renting he cannot buy a house; he has not enough. He prefers to rent. He could find that his capital of $4,000 was brought down to $1,000 or $500 on this treatment basis.

Mr. LALONDE: It is unlikely, because to bring that much capital or that many assets down he would have to be hospitalized for a long period of time.

Mr. PUGH: Supposing he goes in permanently towards the end of his life?

Mr. LALONDE: He could not pay any more than the maximum in any year, and the exemption on his resources is increased if his treatment is for a period longer than eighty days. This is designed to protect the veteran against long hospitalization; it was not designed to provide free treatment to every veteran whether or not he could afford it.

Mr. PUGH: I am sorry, Mr. Chairman, I am a little off the subject which we were discussing, but it could apply to them as well—if any amputee had capital and did not have a house of his own.

Mr. ROGERS: That is one thing I would like to see cleared up, because I do not think the comparison is fair—one man owns a house, and another fellow has $3,000 or $4,000 and pays rent. He has to pay. Investigators try to see that he does get this money invested, but it does not work out evenly.

Mr. MCINTOSH: I recall a statement made by the American Hong Kong veterans in regard to upgrading. They are basing their application on a similar basis. They say according to their disability their income has been more or less stopped. They want complete hospitalization and medical treatment for themselves. Does that not also include their families? The same reasoning must follow. If they are entitled to it for themselves, they should be entitled to it for their families.

Mr. PARSONS: Actually, Mr. Chairman, I wanted to make a brief summary of this situation as far as it applies to our association. It is our contention that D.V.A. hospitals were set up to handle the disabled veterans cases. Now, in our case, we have a high degree of rehabilitation and consequently a very high percentage of our membership cannot receive hospitalization for any cause other than their pensionable disability. After we have rehabilitated ourselves and accumulated some assets, we can receive some hospitalization when our assets have been reduced to the point where we become indigent. We do not

like that. The other thing we do not like is this. The Canadian government found it advisable to extend hospitalization to a certain group of veterans, and their justification for it must have been service. If they can handle this broad group with complete hospitalization, surely they can handle a small group of seriously war disabled. That is our contention.

Mr. CARTER: I have two or three questions at this point. Mr. Pugh covered some of them.

I want to ask Mr. Lalonde this question. The scale that he read out is based on gross income, not on net income?

Mr. LALONDE: I do not know what distinction you are trying to make, Mr. Carter. It is based on a man's earnings.

Perhaps I made a mistake in using the word "gross" as applied to income. I am sorry; I did. It is based on a man's earnings for the six months preceding his application for treatment, and on his estimated earnings for the next six months. I should not have used the word "gross".

Mr. CARTER: I do not think you did, but it was not clear, when you were speaking about those earnings, whether you were speaking about gross earnings or net earnings.

Supposing a person were getting private income from a farm, or from some other source? His gross income might be any amount between the gross earnings and the net income.

Mr. LALONDE: I am sorry; I was right in using the word "gross" in regard to income, because a veteran could have earnings prior to this application for treatment and he could also have revenues from a business.

In other words, he might not be a salaried veteran, or he might have the combination of salary and other income. So the word "gross" as applied to income was correct.

Mr. CARTER: You base your scale on the gross figure? Actually, his circumstances depend on the net income, do they not; that is all he has to live on?

Mr. LALONDE: Yes; but the purpose is in determining his income status by comparison with other veterans. For instance, a war veterans allowance recipient has so much income during the year. We are trying to establish the position of non-war veterans allowance recipients by comparison with the other, so we have to take their income.

Mr. CARTER: Let me follow this through. Supposing you have war veterans allowance for a fisherman, and supposing he catches enough fish to sell and have a gross income of, say, $1,000. But it may have cost him $500 or $600 to catch those fish, so that his net income would only be about $400.

Mr. LALONDE: No. His gross income, as far as this section of the regulations is concerned, is what he received for himself and his family.

Mr. CARTER: That is what is called net income. The other question I want to raise is this. You mentioned a scale of exemptions set up by treasury board. Has that been modified since the hospitalization plan came in, or did that come up after the hospitalization plan?

Mr. LALONDE: No. This is the same scale that was in effect last year, and most of the provinces have come in under the hospital insurance plan since last year. But there has been no change in this scale, except that veterans in most provinces are now covered by the insurance plan for their hospitalization.

Mr. CARTER: Yes. I was wondering just how the picture of the veterans of this particular group is affected by the new hospitalization plan. Would a veteran who is seeking free hospitalization under the war veterans legislation be able to get it under the hospitalization plan?

Mr. LALONDE: The only thing that he will have to pay under the new plan is the doctor's bill.

Mr. CARTER: Yes.

Mr. LALONDE: But there are still some provinces where the plan is not in effect, and I presume that there may be a few—very few—veterans, in provinces where they do have an insurance plan, who do not take advantage of it; in other words, who do not pay their premiums. Certainly we anticipate the hospital insurance plan will reduce the number of veterans who will require treatment under section 13.

Mr. CARTER: It will also require the veteran himself to make an assessment as to whether or not it is going to pay him to come in under the hospitalization plan or stay under the veterans legislation.

Mr. MONTGOMERY: I think some of the provinces are compulsory anyway.

Mr. LALONDE: That is correct. I think they have to cover their families at the same time as they cover themselves. It will pay them in the long run.

Mr. THOMAS: May I ask a question on procedure?

The CHAIRMAN: Yes.

Mr. THOMAS: Time is going on. We have heard two briefs this morning and we are still on the first issue of the first brief. What is going to happen? Do these delegations come back to another meeting today, or when; and when do we get a chance to go into these other items which have been raised?

The CHAIRMAN: We are entirely in the hands of the committee in this respect, Mr. Thomas. If we can complete our discussion on this section, all well and good. If we do not complete our discussion on this brief by the adjournment hour of one o'clock, perhaps we could have the committee's cooperation to sit while the house is sitting and carry on our discussion this afternoon.

Mr. THOMAS: For the particular convenience of the delegation?

The CHAIRMAN: Yes, for the convenience of the delegation.

Mr. HERRIDGE: Mr. Chairman, I am very interested in this dual use of the word "gross", because I had an experience in that connection. The department should be very careful in the use of that word, because it almost seems incorrect.

There was a gentleman in my riding who ran a fishing camp. He was not a fisherman; he ran a fishing camp. He was asked to submit his gross income. He turned in all his takings and found he was not eligible for treatment. I said, "You silly old fool. You didn't make that much; you had expenses". When he took off his expenses he only had $400 income, or a little better, for the year. That meant he was eligible. I think that should be made clear.

Mr. LALONDE: I think it is clear in the instructions. The mistake was only due to my poor training as an accountant. May I add one last bit of information that I think will be useful to the committee? There are 32,501 pensioners in classes 1 to 11.

Mr. BENIDICKSON: I was just going to raise that question. Was one of the requests simply for that part that is referred to as the "high disability pensioner", or was it a general request that free treatment should be available, irrespective of the individual's economic status?

Mr. O'LEARY: Mr. Parsons, I think you referred to the large group of veterans who are receiving free treatment, presumably on a service basis, and you were asking that your group should receive the same treatment. That was the substance of your argument.

Realizing that this larger group are subject to a means test, would it not be true that any different treatment for your group would not be based on a means test? Therefore, you are asking that your group should not be subjected to a means test?

Mr. A. J. PARSONS: That is correct.

Mr. STEARNS: To follow what you said just now, Mr. Chairman, do I understand that if the Hong Kong veterans have not had a chance to answer questions, you are going to ask the committee whether they are prepared to sit this afternoon after the adjournment hour of one o'clock?

The CHAIRMAN: That will be our intention.

Mr. STEARNS: Could you find out an hour now, if the committee is willing, so that these gentlemen could do something else until then?

The CHAIRMAN: I think 3.30 would be the earliest hour at which we could meet, due to the opening preliminaries of the house. Could we have an expression of opinion from the committee in that regard?

Motion agreed to.

Mr. BROOME: Are there any farmers in the Hong Kong veterans association?

Mr. STEARNS: Mr. Chairman, I think we should go on with the next item.

Mr. CHARLES CLARK: Mr. Chairman, we are quite willing to meet any conditions of the committee. We hope that when you come back this afternoon just as many members will be present as are here now.

The CHAIRMAN: Thank you, Mr. Clark. We shall meet at 3.30 if circumstances warrant it, and it looks as if circumstances will. Now, I think Mr. MacRae has a question.

Mr. MACRAE: I think Mr. Benidickson covered the point I had in mind. It is the prerogative of this committee, after it has heard the briefs. The war amputations, as a group, is a high pensioned group of men; but there are all these other groups in Canada which are high pensioned; you spoke of gunshot wounds and other cases. Most of us might wish to recommend a pension for one group—to get a pension of 80 per cent and up, regardless of our sympathy for others. But this is a problem and it will have to be fitted into the complete picture, that of pensions, covering pensioners from 80 per cent up. So we cannot consider them only in a final analysis.

Mr. BENIDICKSON: Reading the first sentence under the hospitalization treatment, I take it that the request is not to be confined to the high disability pension group, but that it applies to all war disability pensioners as contained in the first sentence of the brief?

Mr. PARSONS: We are referring to the high disability group. We can only speak for ourselves; and we happen to come in that higher category. We refer to the higher disability group which embraces the high disability cases.

The CHAIRMAN: Does that complete our discussion under hospitalization and treatments?

Now, the next item is with respect to basic pension rates. Have we any questions on this subject?

Mr. SPEAKMAN: We know that the question of pension rates is continually under review, having regard to the cost of living and so on as it increases; and we know that any government in Canada is sympathetic to the pensioner in that respect.

Mr. WEICHEL: I think we all understand, as amputees, that we are not going to get any better as the years go on,—that we are going to get worse. The chap with a gunshot wound or some other wound is likely to improve, and has improved in some cases, to the extent that some of them may have had their pensions reduced. But with the amputees, they will not improve; and as age goes on, they are going to be worse.

Mr. MACRAE: The badly wounded man with a gunshot wound as a rule will not improve. That might be brought up to us as an exception to the rule; but a gunshot wound or head wound as a rule does not improve.

The CHAIRMAN: This item deals with other across-the-board increases.

Mr. HERRIDGE: I am not quite clear about this principle of the 33⅓ per cent which is recommended. Is that to be an additional 33⅓ per cent, or is it to bring the pension up to 33⅓ per cent as requested by the Legion?

Mr. PARSONS: Additional.

The CHAIRMAN: That is to be additional to the present rate.

Mr. PARSONS: Yes.

Mr. WEICHEL: I agree, because after all you might make a ruling of 50 per cent and up, when some poor chap with 48 per cent or 49 per cent would be left out of the picture.

Mr. MUTCH: You are safe down to 48. Forty-eight and 49 get it.

The CHAIRMAN: Is this item agreed to? Item agreed to.

Mr. BROOME: In regard to damages I would like to hear from Mr. Lalonde. I think this is rather startling.

Mr. LALONDE: This is one field where I pass. This is Mr. Mutch's responsibility.

The CHAIRMAN: Mr. Mutch, you have the floor.

Mr. MUTCH: Yes, a small part of it.

The CHAIRMAN: Mr. Broome has queried the situation prevailing under damages and accidental death.

Mr. MACRAE: Have we covered the pensions basic rate?

The CHAIRMAN: Yes, we have concluded our discussion.

Mr. MUTCH: Can you be more specific in what you want? Do you want a general interpretation, or the practice of the commission?

Mr. BROOME: What they are saying seems so reasonable that I just wondered why it was not done before.

Mr. HERRIDGE: Can you give us an explanation of what happens now under those circumstances?

Mr. MUTCH: If I restrict myself to what happens now, I would be on safe ground.

Under the present legislation, as it is set forth, there are statutory requirements which are set out in sections 20, 21 and 22 which expressly lay upon the commission the responsibility of taking into consideration ex parte payments, —that is, for damages or injuries incurred.

We have these three sections which make it compulsory on the commission, and we have no discretion in the matter. There has been, over the years, a good deal of discussion in this committee, with respect to these sections.

We have even had specific recommendations in this committee over the years for the striking out from the Act of one or other of these sections. About all that I can say at the moment is, they are in the act, and the Pension Commission is bound to take them into consideration.

Within the last few weeks we had a case under sections 21 and 22 which was adjudicated in the board room. In that case a pensioner was killed. From outside sources, and as a result of that accident, a payment of some $17,400 was made.

The widow had an option as to whether she would forego this money and go on full pension for herself and one dependent child, or whether she would keep the money and accept an adjusted pension for herself as a widow.

These adjustments are worked out actuarily. I am not an actuary. But I know, that in the case of this particular widow, the Commission had to reduce the pension as a result of her deciding to keep the $17,400. Widow's pension was reduced by approximately $82 a month, and this reduction, under the statute, remains in force so long as the Pension remains in payment.

The capitalized value of the money she received from the outside source is computed, and an adjustment is made in the pension. It is not for me to say whether this is equitable or not.

My colleagues and I are confronted with the Act, and that Act is Parliament's responsibility, not the Commission's. I cannot offer an opinion.

Mr. PUGH: Mr. Chairman: following along the remarks, I had a case which was exactly the same. This pensioner was killed; he was run over by a motor car. I knew all the circumstances, and I do not think there was very much case for a claim.

It happened that the widow, acting upon the advice of friends, or possibly of a lawyer, went to court and recovered a certain amount of money,—let us say, $2,000 or $2,500. She was then informed that that would have to be taken into account with her pension, along the lines suggested by Mr. Mutch.

She came to me and I was horrified. It just does not seem reasonable. I still do not feel it is reasonable. In this instance he was operating an orchard, and the widow has found herself in pretty extreme circumstances. The capital amount she received as a result of her claim would not do more than put the house in repair, which it badly needed; and she was faced with the alternative of asking for the whole amount and having her pension cut down or of turning over the money to the department, having it capitalized and receiving the full pension. In her case, of course, she needs the full pension in order to go on existing.

Mr. MUTCH: Was the case of which you speak one where the deceased was a pensioner who received a pension of 50 per cent or more at the time of his death?

Mr. PUGH: I cannot answer exactly, but I think he would have been in receipt of a pension of above 50 per cent.

Mr. MUTCH: If his pension was less than 50 per cent, unless his death could be ruled as attributable to his service as such, the Pension Commission would not come into the picture.

Mr. PUGH: It must have been over 50 per cent. I know of the correspondence which took place with the department.

Mr. MUTCH: What sometimes happens and what did happen in one case is that the widow, who was a very young widow, decided to turn in the award of damages which was substantial—something in the order of $10,000—against advice. This is something which young widows frequently do believing they will never marry again. This widow turned the damages over to the C.P.C. and went on widows pension, married again within about 18 months. In such an instance, one year's pension is paid in advance and pension ceases. Unless the award is substantial, many of the widows do turn over the money and continue to accept the widows pension.

Mr. PUGH: There is a further point on this. She herself put in the claim with the possibility she would not come out on top. Had she not won she would be responsible for the legal expenses all down the line.

Mr. MUTCH: Unless she was directed by the commission to proceed with her claim.

Mr. PUGH: There was no direction.

Mr. MUTCH: There are occasions when the commission has power in certain instances involving outside liability to authorize the action. If a person coming to the commission with a claim for penson fails to attempt to recover from a third party. The commission may direct the applicant to proceed with the claim and there is provision for payment of properly taxed legal fees.

Mr. McINTOSH: There must have been some reason for this legislation in the first place. I am wondering what that reason was. I am thinking also whether it applies when the veteran leaves a large amount of insurance, and if not, why not if the reason for the legislation in the first instance was valid.

Mr. MUTCH: I do not know whether or not it is given to any administrator to know what was in the minds of men at the time this provision was drafted. However, I do know this, from my own experience, that a life insurance policy on the life of a husband, which is payable to his widow, does, I am informed by our legal advisors, not constitute part of his estate as far as the government is concerned, except in the case of the income tax office.

Mr. McINTOSH: Suppose he won a sweepstake?

Mr. MUTCH: None of my friends have and I have not looked into that. Seriously, I do not know the answer to that question. In these claims the commission follows the precedent of the income tax department and certain grants which occur at the time of death, such as burial grants, are influenced by the amount of money left in the hands of the widow even though a substantial part of it comes from an insurance policy of which she is the sole beneficiary.

Mr. McINTOSH: Was there a precedent or something which necessitated the passing of this legislation? What was the thought behind it?

Mr. MUTCH: I cannot answer that. I was not here. We have had to deal with it in its present form during my twenty years in working with and in the department.

Mr. KENNEDY: I am wondering how far-reaching this is? There are so many types of insurance. Under the automobile association, if a holder of a membership is killed by anything related to an automobile there is insurance payable on his death. Would it affect anything like that or is it just straight liability insurance?

Mr. MUTCH: Private insurance does not affect the award to a widow pensioned as of right. The widow of a veteran in classes one to eleven, or where the husband's death is attributable to his pensionable disability, or to service is pensioned as of right without any means test whatsoever. Does that answer your question?

Mr. KENNEDY: Except where there is a claim.

Mr. MUTCH: The statute excludes third party liability from that exemption. It is statutory as far as such claims are concerned. We administer the act the way it is.

Mr. BUTLER: In view of the fact that the reason for this appears to be very obscure, and in view of the fact that it seems unfair a widow whose husband is killed before his time and due to somebody's negligence that the widow has to decide whether or not she will gamble on remarriage, I feel it is a very unfair piece of legislation as far as the widow is concerned.

Mr. MACDONALD (*Kings*): When you mentioned the case of a woman who had been in receipt of some $17 thousand or something and the pension was reduced from $115 to $82, does that carry on as long as she lives or has she a right to ask for an assessment later on when her nest egg is used up.

Mr. MUTCH: The fact is it remains in effect as long as the pension continues to be paid.

Mr. MACEWAN: There is something I would like to clarify. Here in the fourth line it says: "In other words, Canada, not the widow, receives the damage settlement, although the widow is liable for hospital, funeral and other expenses incurred." If a settlement is reached and received from a third party, is it not so that included in that would be an amount for hospital, funeral and other expenses? Therefore, although the widow might take a certain option, this would be covered anyway.

Mr. MUTCH: There is a means test on the payment of the hospital, funeral and last illness expenses.

Mr. CARTER: Is that deducted from the amount of the award before you adjust the pension?

Mr. MUTCH: No.

Mr. CARTER: If a woman gets an award of $5,000 and she is also in receipt of a pension, are the funeral expenses and all the rest deducted from that before you adjust her pension?

Mr. MUTCH: If she keeps an estate in excess of $5,000 she would have more capital in her possession that would warrant the payment of burial expenses and normally they would not be paid.

Mr. CARTER: That is not what I mean. As I understood you or other officials to say, if a widow wishes a certain option she can forego the award and keep her pension, or accept the cash settlement and have a reduction.

Mr. MUTCH: Yes.

Mr. CARTER: The amount by which it is reduced depends on the amount of the award?

Mr. MUTCH: Yes. The capitalized value.

Mr. CARTER: And that award would not be total income because she would have the funeral expenses from it. Would that be taken into account before you adjust the pension?

Mr. MUTCH: No, I would say not. In my experience, no, because the payments of burial and funeral expenses are based on money in hand and not on income. If she is offered a certain sum of money, normally the commission would not pay for the burial. Does that answer your question?

If the amount of the award which she retains is sufficient to place her in a position of having more money than the ceiling which the commission sets, she would not get an award. Pension is adjusted on an actuarial basis having regard to the capital amount. It is not determined on the basis of expenditures.

Mr. HERRIDGE: You have not got his question yet. May I have another "shot" at you; I would enjoy that. If a veteran dies as the result of an accident and his widow does not have a dollar, and she receives a $5,000 damage claim, and the funeral expense was $1,000, do you allow that amount out of the $5,000?

Mr. MUTCH: In view of the fact our total award in cases of funeral and last illness is less than $300, no.

Mr. HERRIDGE: Would you allow $300 out of the $5,000?

Mr. MUTCH: Again it would depend on how much of the $5,000 she had. There is definitely a means test, if you like to call it that, although I deplore the use of the word "means", in regard to payment of last illness and burial expenses. Up to $5,000 in the case of a widow who is not going to be pensioned it is unlikely the commission would refuse to pay funeral expenses and last illness; but if she had in excess of $5,000 in cash and was going to be a pensioner from there on, it is equally unlikely that they would pay funeral expenses.

It is difficult to explain in generalities, but in practice that would approximately be the basis of it.

Mr. MCINTOSH: Is the award not made in two parts—one, general damage, and one to cover hospital expenses?

Mr. MUTCH: I might say in the case of the workmen's compensation board in the province of Ontario that I know of occasions where they have made a payment of $200 toward funeral expenses. That is less than the funeral

expenses which the commission can pay in the case of death of one of our pensioners. And if the widow is otherwise entitled we can, and we have, supplemented the $200 to the extent that we are able to supplement it under our ceiling. If all expenses were paid, we would not make an award.

Mr. BROOME: I have two questions, Mr. Chairman, along the same line. In regard to my first question, I would take it from your answer in respect to insurance, if the widow receives an inheritance of money that would be free to her and would not affect her pension. But suppose her husband died in an industrial accident and there was a payment from a compensation board; would that be treated in the same way?

Mr. MUTCH: All awards from the compensation boards are taken into consideration under these sections.

Mr. BROOME: Under these sections they would be included in there as well?

Mr. MUTCH: Yes.

Mr. STEARNS: Mr. Chairman, I have just one question to ask Mr. Mutch. If sections 20, 21 and 22 were abolished, would it add any expense to the treasury as of today?

Mr. MUTCH: I think it is inevitable that there would be additional expense to the treasury. This is because the commission does from time to time receive sizable amounts of money from widows who prefer the security of an award rather than a certain amount for their unmarried lifetime.

On the other hand, the reason I hesitated to give a categorical answer was because I am aware that a percentage—I do not know how big it is—of widows who retain the damages subsequently remarry. We are, I think, entitled to assume that they would have remarried even if they had not had a sizable lump-sum in their hands. Then in all probability the government liability would have ceased, if they remarried, with the payment of one year's pension. It is one of those things that is pure guesswork; there are no figures or statistics and you cannot even average human behaviour.

Mr. HERRIDGE: Would Mr. Mutch be able to supply this committee with the total figures showing amounts collected from widows in the last 12 months?

Mr. BROOME: At the same time, the wording of the section involved?

Mr. MUTCH: Just a minute; I am not taking shorthand. I want to get your

Mr. HERRIDGE: For the year 1958.

Mr. MUTCH: Under sections 20, 21 and 22; is that what you are asking?

Mr. HERRIDGE: Yes.

Mr. MUTCH: I should be able to get that.

Mr. MCINTOSH: At the same time, the number of pensions that have been reduced as a result of this action, and what the increase would be if it were retroactive to when it started.

Mr. MUTCH: How far back do you want to go?

Mr. MCINTOSH: I do not know how far back your pensions go. But if some widow had a reduction from $115 to $82, I imagine if this were rescinded she would automatically go back to $115.

Mr. HERRIDGE: In order not to burden Mr. Mutch, perhaps you could confine the question to one year which would be reasonable, and Mr. Mutch could give us a picture for that year.

The CHAIRMAN: That might be representative of the picture.

Mr. MUTCH: What is your question?

Mr. MCINTOSH: What is the number of pensions that would be affected?

Mr. MUTCH: That would depend on the effective date. Any change of a statutory nature in the past was usually effective from the date the amended legislation was proclaimed. Therefore, unless there is a radical change in usual procedure there would be no liability reaching back.

Mr. HERRIDGE: Mr. Chairman, this discussion so far has been based entirely on the widow. What happens in a case where there are only dependent children? In some cases there are dependent children and no widow involved. Has this liability any effect on them?

Mr. MUTCH: These sections do apply in the case of dependent children of the deceased when an award is made specifically on their behalf. We sometimes get a judgment where the widow is allowed $10,000, the eldest child is allowed $3,000 and the youngest child is allowed $5,000. There have been cases of that sort.

Mr. KENNEDY: And that is taken into account?

Mr. MUTCH: That would be capitalized in the case of the child as well, bearing in mind the age at which the child ceases to be a liability on the pension commission.

Mr. KENNEDY: Certainly the children would have the opportunity of electing whether they took—

Mr. MUTCH: No, the mother elects on behalf of the children.

Mr. KENNEDY: But there is no mother involved in this case. That is what I am thinking might happen. If no mother survives, what is the position?

Mr. PUGH: That is a matter for the court.

Mr. MUTCH: There would either be a legal guardian appointed or the court would give a decision. I have not seen one of those cases, but it could happen.

Mr. MONTGOMERY: I would like to ask Mr. Mutch one question on this matter. Maybe he has told us and maybe I missed it. We have been talking about the 50 per cent pension, and over. Supposing a veteran who has been getting a 40 per cent pension is killed in the same circumstances, and his widow maintains a claim and is successful in getting a judgment for $10,000? She gets no pension whatsoever, does she?

Mr. MUTCH: Not unless his death is ruled attributable to his service or to his disability.

Mr. MONTGOMERY: If he is under the 50 per cent pension, does she get anything?

Mr. MUTCH: No, not unless his death is ruled attributable to service. It is possible for a widow to be pensioned when a pensioner dies, who in his lifetime had no pension at all. It is difficult, but it is possible for that to happen. It can happen if it has been established that his death arose out of his service.

Mr. MONTGOMERY: Suppose she does not get a pension; she is not entitled to one; but she does get an award. Does the government take that award?

Mr. MUTCH: The commission is not interested. She has no status before us.

The CHAIRMAN: Have we completed the discussion of the damages and accidental death section?

Item approved.

Imperial pensioners widows.

Mr. BROOME: I would like an explanation from the department in regard to this. I do not know to whom to direct my question.

The CHAIRMAN: I believe this comes under the pension commission.

Mr. MUTCH: There is no provision in the Canadian Pension Act for the payment of pension to veterans, or their dependants, who had no service in the Canadian Forces, with the exception of those Canadians who in World War I

enlisted in the British or allied forces, and who were domiciled in Canada at the outbreak of World War I; and in World War II, a Canadian who served in the British or allied forces, and who during the four years previous to the outbreak of World War II had been domiciled for a time in Canada.

For these two groups, if they become pensioned as a result of their British or allied service and return to Canada, there is provision in sections 50, 51, and 52 of the Canadian Pension Act to supplement their pensions to the Canadian rates while resident in Canada. But these sections make no provision for the group which is now mentioned. I am restricting my comments to benefits under the Canadian Pension Act.

This group has no status before the committee, and there is nothing in the act which would permit us to pension the widows whose plight is being brought forward here. To do so would require an amendment to the act.

The CHAIRMAN: Are there any further questions? Have we considered imperial pensioners widows?

Mr. BROOME: Is there anything further that the delegation wish to add to this particular item in the way of further explanation? It is pretty clearly set out here. I notice number one.

Mr. BELL: We tried to cover most of our points in what we have said here. We have this situation where we have 70 of these people in our own membership. They are a separate group, of course. Their benefits are far lower than those of a Canadian high disability pensioner.

Again, our case is for the widows. We really have two classes of women; those who married a veteran of a Canadian force, and the others, Canadian women who married a Canadian veteran of the imperial forces. We feel they should be on the same pension basis.

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

Mr. BROOME: I think the point being emphasized here is that the widows are Canadian.

Mr. BELL: That is correct.

Mr. BROOME: Widows whose husbands have service in common; but one Canadian is not treated the same as another Canadian because of the accident of her husband's service.

Mr. BELL: That is right.

Mr. MUTCH: From our experience, we know, that in World War II, the great bulk of these Canadian widows of deceased Imperials were Canadian girls who married British chaps when they came over and were trained in the Air Commonwealth Training Scheme. That is probably the largest group we run into. We know that a great many of those girls never even saw the United Kingdom. It is a state of affairs of which we are very conscious. I would not like people to think that the Commission is unaware of their difficulty, but there is, in fact, a prohibition in the legislation.

The CHAIRMAN: Are there any further questions? May we proceed to the last item on Children of Ward Dead Education Assistance Act? We have read the representations of the war amputees of last year on this subject and they are repeating it in the brief this morning. What comments are there?

Mr. HERRIDGE: I would like to ask one question. In view of the fact that this government has expended about half a million dollars in the transportation, care and education of a certain group of students and their dependents who came from what was formerly an enemy country, would you not think the government would be fully justified in what you are asking them to do in this situation.

Mr. LALONDE: Perhaps I might clear the air with a very short statement. As the brief mentions, there is a possibility that the wording of the act is obscure at the moment. However, I know of no case of children of war dead where the interpretation of what is purported to be an obscure section has not been interpreted in favour of the child.

Mr. HERRIDGE: Do you not think under those circumstances the Canadian government would be morally bound to care for the higher education of the children of those who were seriously disabled in the defence of this country?

The CHAIRMAN: Mr. Herridge is making a comment.

Mr. HERRIDGE: I am asking a question. Would anyone in the delegation like to answer?

Mr. BUTLER: We agree with you.

Mr. HERRIDGE: Thank you, very much.

Mr. MCINTOSH: In what way is the act obscure? Is it in the wording of the act?

Mr. LALONDE: That is what the brief said.

Mr. MCINTOSH: You said that.

Mr. LALONDE: Our interpretation of the act has been favourable.

Mr. MCINTOSH: I realize that but I would like to know in what way is the act obscure?

Mr. MONTGOMERY: They do not admit it is.

Mr. MCINTOSH: He said in every case the children are looked after.

Mr. LALONDE: Yes.

The CHAIRMAN: Shall we conclude our discussion on the war amputees' brief now, or do you wish to bring them back this afternoon?

Mr. WEICHEL: I move we adjourn now and give this consideration in the afternoon.

The CHAIRMAN: We have a motion to adjourn. Agreed.

The CHAIRMAN: We will adjourn until 3:30 p.m.

AFTERNOON SESSION

MONDAY, March 9, 1959.
3.30 p.m.

The CHAIRMAN: Gentlemen, may we continue? When we left off at one o'clock we were just winding up a discussion of the brief from the War Amputations Association; the topic was "Children of the War Dead (Education Assistance) Act." Are there any further questions?

Mr. MACRAE: On page seven, line five, the delegation used the expression "certain groups". Would they care to clarify to whom they refer?

Mr. BELL: The groups to which we are referring are the groups who are presently pensioned under classes one to eleven. After death their widows automatically go on the widows pension with allowances to children.

Mr. MACRAE: Thank you.

The CHAIRMAN: Have we any further questions, or shall we proceed?

Mr. BROOME: Let us proceed.

The CHAIRMAN: Have we concluded our discussion under "children of the war dead"? May we proceed to "consequential disabilities"?

Mr. MUTCH: This morning I was asked two questions. I was asked if I could give the amount of damages recovered under sections 20, 21 and 22 of the Pension Act for the year, 1958.

In order to get these figures for the Workmen's Compensation Board, that is under section 21, it would be necessary to draw the file in each case. That would be a fairly lengthy procedure.

However, I am able to give you at the present time a statement with respect to sections 20 and 22.

For the years 1957 and 1958—in 1957 the total amount of damages recovered by the department was $19,907.61. There were two widows involved.

In 1958, the total damages recovered totalled $87,775. There were seven widows involved.

Just as I was leaving the office, I was able to get the total amount recovered as of record today—that is, not during 1957 and 1958, but since the legislation has existed. The total sum to date of the amount recovered by the treasury on account of third party liability is $854,531.50.

Now, if the gentleman who asked the question with respect to these figures wishes me to give the figures under section 21 involving Workmen's Compensation Board cases, and I can do so. It would require the drawing of the files. Provided there are none of them in use, I should be able to have it for you by the beginning of next week; but to answer now, would require me to make a pure guess. Would the committee care to let me know their wishes in the matter?

The CHAIRMAN: What is your pleasure, gentlemen?

Mr. HERRIDGE: In view of the information we have on the other two sections, is it necessary to ask Mr. Mutch to go to all that trouble?

Mr. MUTCH: It would be well over three-quarters of a million dollars.

Mr. MCINTOSH: How many cases are involved?

Mr. MUTCH: In 1957 there were two and in 1958 there were seven.

Mr. MCINTOSH: I mean in the $854,531.50.

Mr. MUTCH: Back of those years—I did not go beyond, because I understood it would be sufficient for 1958. I got it for two years. That again would require our making a survey, but I can get it if you wish. You want to know how many are involved in the total of $854,531.50?

Mr. McINTOSH: Would it involve a lot of work to get the answer?

Mr. MUTCH: Yes, but that is what we are there for.

Mr. McINTOSH: I wondered how many we would have if the act were rescinded.

Mr. MUTCH: You have just over or around $105,000 recovered in nine cases. I think the committee should bear in mind that in the last ten years or so damages allowed in these accident cases have doubled, and in some cases have tripled or quadrupled.

Many of you who buy will know automobile insurance, what you have to buy in order to be protected; and even though the numbers, involved have been fairly constant, the liability has rapidly increased because of the nature of the awards which are currently made in the courts.

Mr. McINTOSH: I withdraw my question then.

The CHAIRMAN: Thank you, Mr. McIntosh. Now shall we proceed to "Consequential disabilities"? I understand that a copy of this statement has been placed in the hands of every member of the committee. If you have not received your copy, the clerk of the committee has one for you.

I believe the acting chairman of the pension commission has a statement to give in reference to this part of the presentation.

Mr. MUTCH: Because of my long experience of being accused of mumbling, I shall stand up and read this to you. I was very happy that we did not come to this item until after lunch because I did not see it until you did. While my marginal notes were satisfying to me, they would not have been very clear to you. I hope this will.

There has been no change whatsoever in the practice of the commission in granting entitlement for added disabling conditions which are consequential upon the pensionable disability.

The practice referred to in the brief of the Amputations Association is an added benefit which in no way affects entitlement granted on a consequential basis. It was introduced by the commission recently in a few cases in which the pensioner had become seriously disabled, usually through one or other of the degenerative diseases of advancing years which could not under any circumstances be held to be consequential upon the disabling condition for which pension was in payment, but which might in some degree add to the extent of the pensionable disability.

This new practice, as has been indicated, has been applied in only a very limited number of cases, and is to be reviewed at a general meeting of the commission to be held later this month, since the commission itself now entertains some degree of doubt as to whether it is a practical procedure.

Perhaps I might, while I am still on my feet, make reference to the second last paragraph in which I said ". . . might in some degree add to the extent of the pensionable disability", because I think these words might be added for clarity: "or any party so adversely affected in some degree by the pensionable condition".

In other words, it may be that a pensioner who is now in somewhat advanced years has a condition which is not pensionable, but which, in the view of the Commission, is progressing more rapidly than would have been the case had he not had the condition for which he was pensioned. So we have used it experimentally over a period of about a year to pension for conditions which were obviously not incurred as such during service, but which, by the very nature of the disability which he had, even although they may be a natural development of a condition of advancing years, if we feel that there has been an acceleration of the pensionable disability. I have said enough to show that in some of our minds there is a considered need to look at it again.

I must make it clear to assure you gentlemen who raised the point this morning that it is not used, has not been used, and that it is not designed to interfere in the cases which they cite, where the disability is consequential upon a pensionable disability.

You know the practice. The members of the committee will know that the practice with those conditions which arose consequential upon pensionable disability, if directly so, would bear the same entitlement. Sometimes you only gain hospitalization and treatment for that condition; but there are cases and I could cite them, where there is an actual increase in the pensionable disability. Therefore the pension is paid. I do not think I can add anything to that.

Mr. BELL: One of the purposes of our organization is to act as sort of watch-dogs, to see if everything is going along all right in legislation, particularly pension legislation and D.V.A. legislation.

As I mentioned in the report before you, this just came to our attention as we mentioned in our brief. One of the purposes of being here today is for the mutual expression of views. I think we have a very good example of how firmly this group pursues these matters. We are grateful for the remarks made by Mr. Mutch.

Mr. MUTCH: There can be no question that this practice gives something which hitherto we were unable to give. The wisdom of that is, frankly, under review.

Mr. BELL: You can understand our concern, because we are very prone to consequential disabilities such as falling and so on. In this case it appeared as if there was a chance of it being assessed as a post war aggravation, whereas before it was separately considered.

Mr. MUTCH: The answer to the question which you addressed to the commission in your brief is that we do not propose to review the cases to date for this or for any other reason except upon application.

The CHAIRMAN: Are there any further questions? I think this point has been cleared up to the satisfaction of all concerned. It looks as if we have completed our consideration of the war amputations brief.

Thank you, gentlemen, for being with us. Are there any further statements you wish to make?

Mr. BELL: We would like to thank you and the committee for receiving us today. We would like to thank "Mike" Weichel, our old friend, and "Cy" Kennedy for their hospitality at lunch. We are very sorry, and we apologize to the Hong Kong veterans that we cannot stay to hear what they have to say. We have to get back to our "constituencies" by tomorrow morning, so we have a transportation problem.

The CHAIRMAN: Thank you.

Mr. WEICHEL: I would like to take this opportunity, on behalf of Mr. Kennedy and myself, to express our thanks to our comrades of the War Amputations Association. I have not asked any questions today, because I though that other members here would like to ask questions.

But as an amputee I understand some of the problems that are confronting our comrades from day to day.

I would like to assure my comrades that this committee, along with the minister, the deputy minister, the chairman, all the members, and the Department of Veterans Affairs will give their brief a very serious consideration.

The CHAIRMAN: Thank you Mr. Weichel.

Captain Hurd of the Hong Kong Veterans Association assumes the chair of honor and we will consider his brief. I believe every member of the committee has a copy of this brief. We have also at the table Mr. Clark.

Mr. ORMISTON: I would like to ask Mr. Clark, or bring to the attention of the committee, that I see the term forced labour used in the correspondence and in the brief forced slave labour. We realize there is no voluntary slave labour, but is this term used to differentiate between the Hong Kong and other veterans of other theatres, and in asking for this consideration is it with the idea of it being restricted to Hong Kong alone?

Mr. CLARK: No, sir. We are using the term forced slave labour because labour is permitted in all prison camps according to the Geneva treaty which, under international law, we understood the Canadian government abided by. But forced slave labour is 12 hours a day for 6 or 7 days a week, and then on the seventh day there is the cleaning up of the camp or whatever they wanted us to do. We in no way restrict these claims to Hong Kong. In fact, payments have been made to other prisoners of war who suffered maltreatment.

Mr. CARTER: Is there any representative here from the War Claims Commission to whom we may direct questions?

The CHAIRMAN: Yes. We have Mr. Paul Theriault, Secretary of the War Claims Commission.

Mr. CARTER: In the first paragraph there are certain statements about the Geneva convention where an agreement was signed at Berne and it cites Mr. Claude Pillaud as an authority for that, and Mr. Pillaud states Canada was a party to that agreement. Have these facts been verified by the Department of External Affairs?

Mr. PAUL THERIAULT (*Secretary, War Claims Commission*): I would not know. All I know is that the advisory commissioner of the war claims seemed to suggest that Japan was not bound by the Geneva convention. He invokes the principle of international law that no treaty is valid unless ratified and to the extent it was not ratified the Japanese government was therefore not bound by it.

Mr. CLARK: This is the war claims report to the advisory commission:

> When, in January 1942, we made inquiries through the Argentine government, then protecting British interests, we were informed that the Japanese were willing, mutatis mutandis, to observe the Prisoners of War Convention which they had never ratified. It was almost at once clear that this meant that they would observe it, if it suited them to do so, and that they would apply it as they saw fit. On the other hand, they were always ready to complain of the most trivial infringement of the convention by us or by our allies.

On account of this we wrote the international Red Cross and for some reason or other this letter has been mislaid. I will obtain an extra copy for you. To confirm that the United States government made this report:

> The existing body of international law is reasonably clear on such matters as the violence permissible to belligerents, the conduct of seizure, limitation of devastation, retaliation and ruses, the treatment of enemy aliens and alien property, and the treatment of the wounded and prisoners of war. It is the behaviour falling outside of these and similar well-defined limitation, however, which creates difficulties in the classification and evaluation of war claims. The source of international law, therefore, must be found in those principles on which civilized peoples achieve a consensus either explicitly in international agreements among nations or implicitly in convictions found to be generally recognized as law....

Mr. CARTER: My question was that this statement says here Mr. Pillaud, whoever he is, states that Canada was represented and was a party to that agreement. If that is so surely the Department of External Affairs would know whether or not that is actually a fact and who Canada's representative was at that time. Do we have that information or can we get it?

Mr. CLARK: I think you would obtain that from the Department of External Affairs. We have not been able to. We had to obtain all our information from the United States government and the international Red Cross.

Mr. CARTER: I think this is vital information and we should have it.

Mr. CLARK: I would like you to get it and also to have a strict accounting of the war claims fund.

Mr. HERRIDGE: While I appreciate the desire of your organization to deal with the legal aspects of whether or not they ratified the treaty, you are not basing your arguments on legality, rather you are coming before this committee representing veterans who suffered particularly in defence of this country and you are basing your claims if any on moral grounds and not legal grounds.

Mr. CLARK: Yes.

Mr. PUGH: I would hate to think we have to start off on the question of legality as to whether or not veterans are to be treated in different ways.

Mr. CARTER: I am just as sensitive about the moral aspect of this question, but I also have the idea that the expenditures of the war claims fund have to be governed by legal considerations. I think, however important I may admit the moral aspects and obligations of this are, the expenditure of these war claims funds are governed by certain legal rules and we would have first of all to determine perhaps whether or not some changes would be required.

Mr. HERRIDGE: On that point, may I ask the witness a question. The Hong Kong veterans have received some part payments to date from that fund.

Mr. CLARK: Yes, sir. We received a payment of $1 a day which Mr. Justice Ilsley awarded us and we advised him at that time we were not satisfied with the award and he said, "I do not blame you; I advise you to wait until more money comes in." There was some more coming in but the amount was not known at that time. We made a claim then for $1.50 for forced labour. Last November an extension award was made, a maltreatment award of 50 cents. Forced slave labour was not mentioned. I can go further into this later on. However, this thing would never have arisen at all if, after we had returned to Canada, the obligations which had been promised to us had been kept by the Depratment of National Defence.

Mr. HERRIDGE: I would like to ask two questions. The money which the Hong Kong veterans have received to date was paid from this fund?

Mr. CLARK: Yes.

Mr. HERRIDGE: The principal of responsibility has already been recognized by the government?

Mr. CLARK: Yes.

Mr. HERRIDGE: Now it is only—and this is my view—a matter of further payments on that account?

Mr. BROOME: What is the state of the war claims fund? Could we have a statement as to the money taken in and what has been expended?

Mr. THERIAULT: The War Claims Commission has no control or relationship whatsoever to the administration of the fund as such; the commission is mandated solely to adjudicate claims filed against the war claims fund and to make recommendation accordingly to the treasury board. The recommendations are either accepted or amended by the treasury board and the responsibility for the administration of the fund is that of the Minister of Finance. Therefore, we have no actual direct connection with the payments out of the fund or its administration and so on.

Mr. BROOME: Do you know how much is in the fund and what your commitments are?

Mr. THERIAULT: $14 million altogether.

Mr. BROOME: And are there commitments pending and so on.

Mr. THERIAULT: There were claims for $250 millions against it.

Mr. BROOME: Against the $14 million.

Mr. THERIAULT: Yes.

Mr. BROOME: Have you paid them all?

Mr. TERIAULT: All have been processed except 106 cases.

Mr. BROOME: There still remain 106 cases to be completely adjudicated?

Mr. THERIAULT: Yes. Eleven thousand have been adjudicated.

Mr. STEARNS: How much have you paid out?

Mr. THERIAULT: It is very difficult to say because there are certain claims which are subject to pro rata payments and the payments are made at the convenience of the treasury board. We may make a finding that a claimant has lost $100,000 and on the pro rated payments he would be entitled immediately to $5,000 and ultimately at such time as the treasury board find the fund can stand it he would receive another pro rata payment. The adjudication has no relationship to the outlay out of the fund.

Mr. MONTGOMERY: Until all the claims are adjudicated no one will know how much the total is.

Mr. THERIAULT: No.

Mr. KENNEDY: In view of the statement that the Hong Kong veterans would have to wait until there was more money in the fund, is there money still receivable by the fund and, if so, how much?

Mr. THERIAULT: No. The fund originally was $12 million made up preponderantly of German assets. The proportion of the fund from Japanese assets was about $3½ million. The interest accruing on the fund raised it to $14 million. There was in addition a $12 million maltreatment settlement from Japan secured through the International Committee of the Red Cross. This was apportioned on a pro rata basis between all allied powers, and Canada's share was approximately $238,000. This was added to the fund.

Mr. BADANAI: Is this fund kept in a separate account?

Mr. THERIAULT: I understand it is. I am not too familiar with the administration of the fund. It is a public trust fund, but it also comes under the personal responsibility of the Minister of Finance.

Mr. BADANAI: It seems to me we should get a clarification of the disposition of this fund from the treasury board or whoever has the responsibility. It is a very important matter.

Mr. BROOME: I notice that the United States and other governments paid out $1 per day for starvation and maltreatment and $1.50 per day for forced slave labour, which is $2.50 per day. To date, the Hong Kong veterans have received $1.50, is that true?

Mr. THERIAULT: Yes.

Mr. BROOME: Meaning, in order to arrive at equality of treatment, it would be $1 per day.

Mr. THERIAULT: Yes.

Mr. BROOME: You have asked for $1.50.

Mr. CLARK: We did that because the original claim was $1.50 for forced labour. The government extended the maltreatment award, but that did not alter our award for $1.50 a day. We are at the mercy of the government and whatever they pay is entirely up to them.

Mr. BROOME: The witness will agree that 50 cents for maltreatment is still 50 cents, whether it is for slave labour or maltreatment. You have received $1.50, and to receive equality of treatment with these other nations it would be a dollar more—not $1.50.

Mr. CLARK: I am not sure if the committee would recommend that, we would be satisfied.

Mr. BENIDICKSON: What would be the cost to the fund for an additional $1 award, per claimant, knowing the number of claimants who are entitled to it?

Mr. THERIAULT: The answer to that question is very vague. As far as the Hong Kong group is concerned, it would amount to approximately $1½ million. Now, if it was extended to other groups of servicemen who were interned in western Europe, it would have to be contingent on the number subjected to forced labour; and that factor is not known at this stage. However, it is a reasonable assumption it would amount to millions because there were 7,000 servicemen interned in Europe.

Mr. BROOME: How many Hong Kong veterans?

Mr. CLARK: Altogether the claim against the war claims fund is 1,600.

Mr. HURD: That would be with their dependents?

Mr. THERIAULT: Yes.

Mr. HURD: There was not 1,600 who survived; there could not be.

Mr. THERIAULT: No.

Mr. HURD: That would be including their widows.

Mr. BROOME: I asked how many Hong Kong veterans there were, not dependents.

Mr. THERIAULT: That would not make any difference. Whether or not we pay the widow or the dependent, we still pay the Hong Kong prisoner.

Mr. BROOME: How many prisoners of war were there in Japanese camps?

Mr. THERIAULT: About 1,600 in the Hong Kong group.

Mr. HURD: That figure is approximate. I think the total number of force "C" was slightly under 2,000. I would say Mr. Theriault's statement is reasonably correct. At the time of the surrender or capitulation of the colony, there was probably that figure, atlhough there were casualties afterwards. There are probably as many more casualties due to maltreatment in the various prisoner-of-war camps after, although I cannot give the exact figures for that.

Mr. WALTER GREY: The war claims commission gives a number of 1,750.

The CHAIRMAN: Have you a question, Mr. Fane?

Mr. FANE: I just have had my question answered. However, I did want to know for how many days they claim.

Mr. HURD: For those who were interned and survived, it worked out to approximately 1,300 days, or nearly four years.

Mr. SPEAKMAN: I would like to ask the nature of the other claims which were additional to the claims of the Hong Kong war veterans.

Mr. CLARK: The maltreatment claim?

Mr. THERIAULT: There are claims for pecuniary loss resulting from death, and claims for personal injury and maltreatment; also property losses resulting from war operation, either immovable or movable. The claims for pecuniary loss resulting from death, personal injury and maltreatment must all be paid in full as adjudicated before any pro rata payment may be made on the property loss claims. Now, as far as servicemen are concerned the only type of claim a serviceman or his dependents can make is a claim for maltreatment on the

grounds provided under regulations. Civilians are the only ones who claim for pecuniary loss resulting from death or personal injury to himself or his parents—and so on.

Mr. SPEAKMAN: That is to say then that the civilian claim actually comes first.

Mr. THERIAULT: There is no claimant who comes first; it is the type of claim that comes first, yes.

Mr. SPEAKMAN: Then the civilian claim for personal loss actually would be first.

Mr. THERIAULT: They come first only in terms of being paid in full.

Mr. SPEAKMAN: Yes.

Mr. THERIAULT: So whether it is on maltreatment claims or death claims to which you refer, it must be paid in full before any pro rata payment may be paid on property losses.

Mr. SPEAKMAN: I am thinking of the civilian's personal claim for maltreatment, and so on, as opposed to the claim of the veteran; it would take precedence over the veteran's claim.

Mr. THERIAULT: No, they shared equally. The ones that were processed first were the Hong Kong ones.

Mr. BROOME: Property comes second.

Mr. MACRAE: I have two questions: first, all prisoners of war of the Japanese were put out at forced labour regardless of rank in a good many cases regardless of their physical condition, is that correct?

Mr. CLARK: There were exceptions in the case of some officers who were interned in a camp by themselves; but the officers who chose to remain with their troops were made to do forced labour.

Mr. HURD: I would like to make a small correction to Mr. Clark's statement in regard to the officers who chose to remain with their troops. I happen to be one who was moved by compulsion. I wanted to stay with my men and I was compelled to go to a British officers' camp. Not for any racial reason, but I would rather have stayed with the men. However I had no choice.

Mr. MACRAE: In your case then there was not forced labour; the officers were not forced to work, is that correct?

Mr. HURD: To be fair, I would say that would have to be defined. What you call forced labour would have to be defined. In a way we were. We were compelled to go out and work under very difficult conditions. Those of us who were able had to do menial tasks unbecoming an officer, such as raising our own food. In one of my experiences I had to take 200 men out and work on the Kaitak airport. It was not a pleasant task and I was made responsible for every one of those fellows who accompanied me. This, gentlemen, happened all the time.

Mr. BADANAI: What kind of treatment did you receive as a labourer? Were you fairly treated by the Japanese as an officer?

Mr. HURD: I would not say we were well treated; we were more rudely used in many ways than the men because they seemed to think we were the leaders of the country who involved the men. But if anybody displeased them, no matter what your rank was you were liable for a beating or humiliation by their hand in some way or other.

Mr. MCINTOSH: Would you define the meaning of forced labour as it appears in the brief?

Mr. CLARK: Forced slave labour.

Mr. MCINTOSH: I would like Mr. Hurd to answer my question.

Mr. HURD: Although I am no authority on the law I would define it that when you are compelled to work and do things which are disagreeable under these conditions that we lived under we had no choice. If we said no, we were beaten up. I would say that would be forced labour.

Mr. CLARK: May I answer that question properly. There are two types of forced slave labour. In Hong Kong in forced slave labour they worked very hard but they received a certain amount of consideration. Now, you cannot say this is one and this is the other. We are lumping them all together. But we who went up to Japan worked naked twelve hours a day in the shipyards and mines in 110 degrees of heat. Those are the boys who really worked at forced labour. Now, the other boys who built the airport in Hong Kong moved a whole mountain, sack by sack, on their backs. They worked twelve hours a day, six days a week, at this work, and the officers had to go with them. They were responsible for the discipline and keeping the men moving. Naturally, they were beaten up. There was another group of officers who were taken in to a camp and worked at gardening. They were forced to empty latrines and sweep up roads. They were humiliated in many ways. But in defining forced slave labour, you can go to one extreme and you can go back to another. There were some officers in the camps—not Canadian officers thank God,—who had a very good time.

Mr. MACRAE: Now, my second question: are you making representations on behalf of the widows, the dependent parents and other dependents as well as for those veterans who survived?

Mr. CLARK: Yes, certainly.

Mr. CARTER: The figure that was given earlier with respect to Hong Kong veterans was 1,600. Were you referring then only to the claims of veterans and veterans' widows, or were you thinking about the civilian claims as well?

Mr. THERIAULT: No, this is excluding the 800 civilian claims for internment in the Far East and also excluding 7,000 servicemen interned in western Europe.

Mr. CARTER: You mentioned a figure earlier.

Mr. THERIAULT: The answer I gave then was in relation to a question which applied strictly to the Hong Kong brigade.

Mr. CARTER: Yes, but strictly to Hong Kong veterans and dependents, or to civilians who were in Hong Kong as well.

Mr. THERIAULT: Well, of course, the civilians were in Hong Kong but also all over the Far East,—Manchuria, China and so on.

Mr. CARTER: Did that million dollar figure you mentioned include the civilians as well as the veterans?

Mr. THERIAULT: No.

Mr. CARTER: There would be an additional demand on the fund for the civilian.

Mr. THERIAULT: Contingent on whether or not the civilians were subjected to forced labour. In Hong Kong they were not; in Japan probably they were. It varied from one camp to another. In some camps the claimants by their own admission were not subjected to hard labour, and in some other camps they had to carry rocks on their backs for two or three miles, and do that seven days a week.

Mr. WEICHEL: These 7,000 men you mentioned before, have they been paid the dollar?

Mr. THERIAULT: No, they have ben paid a lump sum award. The $1 a day is paid only to prisoners interned in the Far East or those interned in

a listed concentration camp in Western Europe; that is to say a camp operated by a criminal organization such as the Gestapo and the Leadership corps. In all of these cases there is a presumption of continuous and serious maltreatment and since the claimants are allowed $1 a day automatically for each day of internment.

Mr. WEICHEL: Were these lump sums paid according to the time they were there?

Mr. THERIAULT: Then the other group that is entitled to a lump sum award does not benefit from the presumption of continuous maltreatment during the period of internment. Therefore, the claimant is compelled under the rules to prove what maltreatment he suffered. Then according to the evidence adduced and the nature of the incidents, he is then granted a lump sum award, which is worked out on a formula. It may vary from $200, to $600. However, it is always a lump sum award, lower than the aggregate $1 a day paid to the other group prisoners.

Mr. MCINTOSH: You mentioned the figure of $200 million. Have you got that broken down into property and personal claims?

Mr. THERIAULT: The property claims would involve about $155 million. Until they are finally adjudicated it would be impossible to arrive at the precise figure. This is because many are inflated and many claimants changed their mind in the process of application and cancelled some part of the original claim. But, grosso modo, it is about $150 million for property, with the rest being made up of claims for death maltreatment and personal injuries.

Mr. ROGERS: Can we take it that all Canadian POW's in Japan were subjected to forced labour?

Mr. CLARK: Yes, sir, they were all subjected to forced labour. The officers in Argyle were forced—

Mr. HURD: Not all of them were subjected to forced labour that were in Argyle Street. In fact, to be honest, I do not know what you would call it in regard to those officers that were in Argyle Street. They were treated worse in many ways because of humiliation. There was a group who were not able to work, but who did an awful lot of work in the gardens in trying to improve the living conditions of their comrades. Many of the officers in that camp were elderly men. Young officers, who were able, were able to work in that way. We had to work at this in Argyle Street to improve our diet.

Mr. HENDERSON: Mr. Chairman, if I may give an illustration. I was in three different camps and can give a fairly broad indication of what happened. The only officer that we had in the camps, as far as I know, was a medical officer, and he looked after the camp and had to stay in camp. He suffered the same rations. The rest of the prisoners were all forced to work.

Mr. STROUD: May I add something? Our experience with regard to officers was in north Japan. One of their main jobs was to see that 95 per cent of the work party was put on the road in the morning, and 93 per cent of that party was subjected to beatings in the morning. I do not know whether you call that forced labour or not, but the officer was compelled to see that the men were put on the road in the morning.

There were 150 Canadians who went to the camp, and 76 died there. The officer was held responsible for the death of those men, because it was said that the men were not looking after their health. In that way the officer was responsible for accounting for the men. He did not go with the men to work, but he had to look after them. It was his responsibility to see that the maintenance of the camp was kept going, such as bringing in firewood, and so forth.

Mr. STEARNS: Mr. Theriault, am I right in supposing that the civilian claims with which you have had to deal refer to people who went to the Far East because they wanted to go there, whereas the air force went there because they were sent there.

Mr. THERIAULT: That is a very disputed point. A large number of civilian claims are made by missionaries.

Mr. STEARNS: Excluding the missionaries, how about the others?

Mr. THERIAULT: Again, it is very difficult. We have a group of claims, for instance, from employees of big Canadian organizations, such as General Motors, who were posted there by the company. You would have a tough argument on your hands to convince them that they went there willingly. It is very difficult to say.

Mr. HURD: I would like to say this—and it might throw some light on Mr. Theriault's statement. I do not think what I am about to say has ever come out before and I think this is an appropriate time to bring it out. I happen to know some of the people who were senior in the Hong Kong government. I will quote one gentleman's name, and I am sure he would not mind. The Hon. J. Patterson told me that when they saw the war coming they had made a great many attempts to send the civilians home, explaining that it was not safe for them to be there. It was a difficult thing to do. They pulled strings, and a lot of them stayed there. They asked to stay there. They thought, evidently, that the war would never come to them, and they were caught there of their own free will.

Mr. STROUD: That is true.

Mr. MONTGOMERY: Those who joined the army volunteered to go and serve wherever they were expected to go.

Mr. CLARK: That is correct. They did not know where they were going. Every man was a volunteer.

As far as forced labour is concerned, we are making this claim under international law and human rights.

Mr. STROUD: In 1942 there were a number of civilians in Hong Kong who had the opportunity to be repatriated. It is a known fact that a number of civilians had homes in Hong Kong and chose to stay in Hong Kong in the civilian camps. I think you will find that can be verified. Everyone had an opportunity to come home in 1942. As a matter of fact, our two nursing sisters were repatriated on that ship.

Mr. SPEAKMAN: What was the condition of the civilian as an internee? Did it compare with the condition of the serviceman?

Mr. CLARK: It was very severe, but it was voluntary labour to a certain extent and forced labour for punishment.

Mr. SPEAKMAN: In actual fact, they were better treated?

Mr. CLARK: A lot better treated. In Japan they were 100 per cent better treated. In Japan conditions were, I would say, 60 per cent worse than they were in Hong Kong. Conditions were bad in Thailand and they were bad in Japan.

Mr. PUGH: Did the civilian internees receive exactly the same maltreatment pay as the troops?

Mr. THERIAULT: Yes, an exactly identical award.

Mr. PUGH: Have you any figures at all in regard to deaths in camps of civilian internees as against prisoners of war?

Mr. THERIAULT: We could state, of course, how many death claims we have had from civilians. But, again, the situation is awkward. Most of the civilians who died were missionaries and they were in a sort of loco parentis relationship

with their corporation, and the society to which they belonged. Therefore, the question is still a debatable one—is the society the dependent of the deceased? Are they entitled to claim?

Mr. PUGH: I was not thinking so much about that, but of those who died.

Mr. THERIAULT: The only way we could get a figure would be by the number of claims, and we are well aware that a large number of claims that could have been made by certain religious groups, have not been made.

Mr. PUGH: Have you any data as to how civilians were treated in camps, as against prisoners of war?

Mr. THERIAULT: It varied greatly. We had in Manchuria, for instance, a religious order which was subjected solely to enforced residence for three years and it was absolutely unable to establish any evidence to compensate for maltreatment.

Against that we had in some areas some people who were so brutally maltreated that they are crippled for life. There is no common rule applying at all to civilians, whereas there is a common rule applying to the serviceman. There is this exception, that of those Canadians who served in the Imperial Forces were posted to the Far East. The condition of those Canadians is not that of a group; it is that of each individual. Some of them were treated very badly, and some were not—they are a marginal group.

Mr. PUGH: Depending on where they came down?

Mr. THERIAULT: Yes, and in what camp and in what area they were interned.

Mr. PUGH: I have one more question. Was there such a thing as Pacific pay?

Mr. CLARK: I have the data on that. When we came back from overseas we made representations to the Department of National Defence for the payment of loss of personal kit. The payment of yen that the Japanese were supposed to have paid us was given to the government in payment for our service, and also Japanese campaign pay.

We were informed we could have none of those things. However, we persevered on it and the Department of National Defence issued PC 105238, which allowed a partial payment for loss of personal kit. This amounted to about $40 or $30 or $10, as the case may be. They said that the Japanese-issued currency in the possession of liberated prisoners was to be exchanged at the rate of one yen, or one Malaya dollar, or one Hong Kong dollar for one shilling, or one and seven-eighths, with a limit of two pounds (Sterling).

I do not know where they got this from, but it worked out that we got $7.50 for 35 yen. We were not satisfied with that, so we came down and appeared in front of the committee on veterans affairs and brought the whole thing in front of you. Your committee recommended to the government that Japanese campaign pay be paid in full.

Here are the rates on that. It is 30 cents a day extra, and the officer rate is a dollar a day. Those are the rates. That was order in council PC 3593 issued May 16. That order in council was issued, and according to what we heard from the members at that time, it was recommended that be paid in full. But when it came to be paid, the Department of National Defence paid it for four months and that is all. Not four years, but four months.

Mr. HERRIDGE: Mr. Chairman—

The CHAIRMAN: Mr. Herridge, I think Mr. Pugh is following up a point.

Mr. PUGH: I understood there was a pay known as Pacific pay which was 45 cents a day flat, and these other payments which were made for kit were different altogether. My information is that the forces were not considered eligible for what is known as Pacific pay, and I was wondering if that is correct.

Mr. CLARK: We were considered not eligible for Pacific pay until we appeared in front of the committee on veterans affairs. We pointed out to them that the men who served in Texas were Pacific volunteers and they had to be paid until date of discharge from the army. We figured that we were still fiighting the war in Japan and we should receive Japanese campaign pay too; and the committee ruled that we should. But we did not get it.

Mr. PUGH: You got it for four months?

Mr. CLARK: We got it for four months.

Mr. PUGH: Was that on the basis of so much a day?

Mr. CLARK: Yes.

Mr. PUGH: Forty-five cents.

Mr. CLARK: No; it was thirty cents a day for privates and a dollar a day for an officer.

The CHAIRMAN: Now, Mr. Herridge.

Mr. HERRIDGE: I would just like to ask Mr. Theriault a question. Did I understand him to say that some religious organizations have claimed for compensation for the death of their members on the same basis that a dependent relative would claim for the loss of someone upon whom he was dependent?

Mr. THERIAULT: Yes.

Mr. HERRIDGE: What were they paid?

Mr. THERIAULT: Not much, because it was very, very difficult to establish the actual extent of the pecuniary loss.

So it was worked out on a formula that all expenses incurred by the association in the special training of missionaries in the language of the country to which they would be posted, would be basis of the actual pecuniary loss; and that amounted to something like $600 a year, possibly, over a period of two or three years.

That was the full extent of the award that was granted as against other civilian claims where the children, or the surviving widow might have been granted up to $65,000.

Mr. MONTGOMERY: Would a man and his wife—just take a man and his wife—would they both claim? Would they be allowed the same amount?

Mr. THERIAULT: It all depends; you mean if the man claims?

Mr. MONTGOMERY: Could a man claim for a woman?

Mr. THERIAULT: If the claim was for the loss of his wife, such as in the torpedoing of the steamship *Athenia,* he would have a tough case to establish the amount if the pecuniary loss. This may be by way of additional expenses of a housekeeper in order to look after the children if they were of minor age; possibly the hiring of a maid, and so on; and then there would be an allowance for general dislocation caused by the death of one of the spouses.

It would be quite different if the husband died, because the wife could then file a claim on the basis of his earnings.

Mr. MONTGOMERY: Supposing that neither of them died, but were independent and were subject to forced labour?

Mr. THERIAULT: They are both entitled to claim for maltreatment; and if the maltreatment resulted in substantial incapacity, then the pecuniary loss resulting from this incapacity would be a personal injury claim.

Mr. MONTGOMERY: Were children forced to work?

Mr. THERIAULT: We had only two instances of a whole family being interned with children. In one case the children suffered more from tropical disease than from actual maltreatment; and in the other case the children came out absolutely all right physically.

Mr. MONTGOMERY: Thank you.

The CHAIRMAN: Does that complete your questioning, gentlemen?

Mr. STEARNS: If the committee has finished questioning the witnesses, I have one point to bring up which was mentioned to me today at noon. These witnesses today, and in the past ever since 1946 have incurred a great deal of expense.

Whatever happened to the past expense, I do not know. Someone said they may have spent around $15,000 in trying to present these different claims to the government. As to their expenses here today, will the treasury reimburse them for appearing here as witnesses before this committee?

The CHAIRMAN: That is something I think which will have to be taken up by the steering committee. We have requests from at least a dozen organizations to come before us. It is by their request, not ours.

I think the practice is that if the committee requests the presence of the delegation, then the matter of expenses would be taken into consideration. But if the request comes from outside the committee, then there is some discussion on the point. I think you can understand why. We would have groups coming from all over the country requesting to appear before us. We would not deny them that privilege, yet we would be responsible. Obviously the question arises as to where to draw the line.

Mr. STEARNS: I wanted to bring it up for the benefit of the delegation that came here.

The CHAIRMAN: I have been with the committee since 1951. In my experience I understand the practice to be that if a delegation is called by the committee, then there is a possibility of payment of expenses. Otherwise not.

Mr. STEARNS: They are on their own.

Mr. ROGERS: I would like to get this clarified in my mind. While you are appearing primarily for the Hong Kong veterans, you are appearing for all the field?

Mr. CLARKE: We have carried all the p.o.w.'s along in our brief. We have not stipulated.

Mr. ROGERS: There have been cases in other camps?

Mr. CLARKE: Yes, those in chains.

Mr. BROOME: It has been pointed out that the camps operated by the S.S. were just as bad as the Japanese camps. What confused me was that the brief differentiated between maltreatment and forced slave labour.

It seems to me that maltreatment is really the important point, because, according to the Geneva convention, prisoners are supposed to be treated with dignity. But it is allowable that they do a reasonable amount of work. I think the words "slave labour" have the intent of showing an unreasonable amount of work which actually forces the prisoner into privation and which in turn affects his health and so on. It is a vicious spiral you get into.

But these prisoners of war who were treated according to the convention and did a type of work that perhaps we had prisoners of war doing for us, but under decent living conditions—there is certainly nothing involved in here. You are not talking about those people then?

Mr. CLARKE: The reason we say "forced labour" is because labour was forced for long hours and was unpaid.

Mr. BROOME: All prisoners of war labour would be forced.

Mr. CLARKE: It stipulates in the Geneva treaty that it must be paid for. We were never paid. We were given some worthless yens. When we came back they gave us $7.50 for 55 yens. Some of the boys still have thousands of yens which were given to them at the last moment as a farewell present, and which they could not spend.

Mr. MONTGOMERY: The food that you did get was the food of the Far East, and it would be different from that to which you were accustomed.

Mr. CLARKE: It was mostly composed of rice, millet, beans, dried fish ground up, and any vegetables that we could grow ourselves. It was strictly guarded by the Japanese guards and was only issued from time to time.

At times we got offal fish, that is, fish which would not be sold on the market. That was brought in; and cows heads and stuff like that, offal, entrails and suchlike. It was all boiled up with rice and made into a sort of stew.

Mr. PARIZEAU: Did you have your own cooks?

Mr. CLARKE: Yes. The officers with the troops were forced to maintain the discipline of the troops and they would be held responsible. If anything went wrong they were held responsible for taking out a certain number of men to work; and if the men did not work, the rations would be cut.

If you had to put 100 men in a party, and if 25 of them were not able to work, then you only had 75 rations for them that day; the rations were cut to 75. So we would carry the men out on stretchers to work. They would work at straightening bars or picking up bolts. Your rations depended upon your work-party.

Mr. PARIZEAU: Is this the first time that a brief of this nature has been presented?

Mr. CLARKE: No. We presented our case fully, and we told of all these things. We told the committee on veterans affairs in 1948.

Mr. BROOME: In regard to the prisoners of war who suffered extensively and then made application for pension based on the degree of disability—it might not appear as physical, but there was a degree of disability there. I wonder if Mr. Mutch could give us any idea as to the pensions that have been allotted to certain veterans on the basis of weakened physical conditions, and permanent injury to health.

Mr. MUTCH: At the beginning when the survivors came home, there was a very generous assessment. I say that in terms of assessment, as compared to normal conditions, partly because there were a great many claims that were obscure in our experience—obscure in the sense that our doctors were not familiar with them. So for the first two years the veterans who returned as prisoners from Hong Kong were treated as a special group.

Over the years, as Dr. Crawford mentioned, when he was before the committee the other day, they were treated—I think it would be fair to say, more generously than others on account of the unknown conditions in which they lived and operated. In some of these cases there is no longer any residual pensionable disability, for example from avitaminosis. Those men still hold entitlement for avitaminosis, and if there is an increase in disability from it, the pension may, at any time be restored.

I hesitate to say that they were treated as a preferred group of pensioners because I do not think they were. They were treated however as a special group of pensioners, and they have continued to be so regarded by the commission.

One of the best of the medical advisors to the commission still concerns himself with maintaining personal contact with their files and in trying to establish on the somewhat narrow basis which exists, special statistics to aid in dealing with them. I think it is significant in the brief that is before you—if I am wrong you may correct me—that in the last two years no complaints have been issued against the treatment of this special group of veterans by the Commission.

The Hong Kong veterans have been, over the years, regarded not as a special problem, because they would resent that. We do not think of them that way, but rather as a special classification.

In the beginning we did not know, but as we found out we have attempted to bring the level of their compensation up to the established levels. If there is any difference I think that they, along with other prisoners, have had preferred attention. It would still be safe to say that the Commission is still reviewing their problems from time to time. For the first two years we did it without application, but we are still reviewing them as the need arises.

Mr. CLARK: We have no argument with the Department of Veterans Affairs, or with the Canadian Pensions Commission. We have found courteous treatment there.

Of course we did have a little trouble making representations, but since they put in Dr. Crawford, Dr. Warner and Dr. Richardson they have done a fine job.

Mr. WEICHEL: Was it last year that you paid this dollar or was it two years ago?

Mr. STROUD: We paid it in 1945, when this committee appeared before Justice Minister Ilsley and we made representations before him at that time. At the same time we asked for compensation for the representations made in Ottawa.

We appeared before Justice Minister Ilsley at the time, at his request, and we gave evidence, and also along the lines set up by agreement with the war claims group. We gave evidence at that time but there was no compensation allowed for the delegation which came from the west, and also from Quebec. I think that can be verified. I think we can resolve that. The report made by Mr. Ilsley goes on to speak about the rations given by the Japanese and it also gives the figures of the prisoners of war in Germany and in Japan. These figures may help you in your discussions. This is at page 44, the last paragraph:

> The extent of the atrocities and the result of the lack of food and medical supplies is exemplified by a comparison of the number of deaths of prisoners of war in the European theatre with the number of deaths in the Pacific theatre. Of United States and United Kingdom forces, 235,473 were taken prisoners by the German and Italian armies; of these 9,348 or 4 per cent died in captivity. In the Pacific theatre 132,134 prisoners were taken by the Japanese from the United States and United Kingdom forces alone of whom 35,756 or 27 per cent died in captivity.

Mr. CARTER: In respect of the awards which have been made so far, can somebody explain on what basis they have been worked out? Mr. Theriault said something about a formula. Does the formula apply to veterans as well as civilians?

Mr. THÈRIAULT: The formula applies only where you have to compute a lump sum award.

Mr. CARTER: In the case of maltreatment and forced labour, our troops received $1 less than the United States troops. Does anyone know on what basis the United States prisoners were paid? Is the amount related to the amount of money in the fund? I have never been able to find out just what the basis is which has been used for the payments which have already been made.

Mr. THERIAULT: In Canada the theory is that the award is related to the availabe fund. In the United States they paid out the money to the servicemen first until they exhausted the fund, and then they had to go to their consolidated revenue fund, or whatever fund they have, to pay the compensation to other groups.

Mr. CARTER: In other words, they established a priority as between veterans and civilians?

Mr. THERIAULT: Yes.

Mr. CARTER: And we have not done that?

Mr. FANE: Did I understand Mr. Theriault correctly when he said there was more or less $14 million still in the fund?

Mr. THERIAULT: Originally. At this stage I do not know how much money is left.

Mr. FANE: There is more or less $2 million which the Hong Kong veterans are asking for.

Mr. THERIAULT: The basis of the payment for the Hong Kong veterans was for approximately 1,300 days at $1.50 a day and those who have been paid up have received over $2 million.

Mr. FANE: They are still asking for an amount of $2 million?

Mr. THERIAULT: No. Approximately $1,200,000.

Mr. BROOME: I make it $2¼ million.

Mr. THERIAULT: I am deliberately giving the most conservative figure.

Mr. FANE: And are there other claims to add to that, out of what you have in the fund now?

Mr. THERIAULT: If an amendment to compensate for forced labour should be passed by the government, obviously this would open the door to the 7,000 servicemen who were interned in Europe. How many of these would establish a satisfactory case of forced labour nobody knows.

Actually, in the war claims report, the advisory commissioner was of the opinion that the adjudication would be impossible because conditions varied considerably in Europe. In the same camp they would take two labour commandos, assign one to a farm and one to a factory. It might turn out that the commando who might establish slave labour or maltreatment might be the one assigned to the farm rather than the factory. It is all contingent on the evidence which each claimant would be required to gather and provide.

Mr. FANE: How can it be established how much money is left?

Mr. THERIAULT: I presume by a simple request to the Minister of Finance.

Mr. MACEWAN: I would like to ask Mr. Theriault if all these claims for maltreatment on the basis of the extra 50 cents have been processed and paid as yet?

Mr. THERIAULT: No; not on the 50 cents. There is still approximately 1,500 claims outstanding.

Mr. FANE: This commenced in November of 1958?

Mr. THERIAULT: The actual amendment was enacted on October 23, 1958. It involved the administrative procedure to release 9,000 additional cheques.

Mr. MCINTOSH: Mr. Chairman, I wonder if the delegation will elaborate on the last paragraph of their brief? We know about the $1. Is there anything else which is supposed not to have been honoured?

Mr. CLARK: Ever since 1945 it has been necessary, at least three or four times a year, to come down to the Department of National Defence in the first place, the Department of Veterans Affairs or different departments, in order to attempt to have these claims paid or to bring up cases of improper treatment of Hong Kong veterans at the different hospitals, not in Ottawa, but for instance, in Winnipeg, Vancouver or Sunnybrook hospital. We have written to the different departments and we did not get much satisfaction. So we had to come down and give them the actual facts and practically swear to them and then it was investigated and changes were made.

Mr. McINTOSH: Would you list one, two, three, and four, whatever they have not honoured—their promises?

Mr. CLARK: Do you mean the payments?

Mr. McITOSH: No. It says here: "May it be drawn to your attention that the Veterans Charter of Canada states in the foreword 'Canada has brought forth legislation for veterans which is surpassed by no other nation.'" And then it goes on, "We only request that this legislation be honoured." I want to know what legislation has not been honoured.

Mr. CLARK: When we came back they promised Japanese campaign pay which has never been paid. We were promised we would be satisfactorily compensated for loss of kit and that those who had not been paid would be satisfactorily compensated for the time. If that had been paid we would have no claim today.

Mr. LENNARD: Who promised that?

Mr. CLARK: The officers.

Mr. HURD: There was an officer under the command of a colonel who was sent out—a rehabilitation officer. I recall meeting him when we were taken to the Philippine islands into a camp and we met the first Canadian rehabilitation officer. He told us, among other things, about the new plan the veterans had for settlement of people, rehabilitation at home, the Veterans Land Act and the different gratuities and all the legislation which they had for our benefit on our arrival home.

Mr. LENNARD: This was all verbal?

Mr. HURD: As far as I was concerned.

Mr. CLARK: No, sir. We were issued a booklet, "Where Do We Go From Here?"

Mr. McINTOSH: That was not especially for the Hong Kong veterans?

Mr. CLARK: No. It was general.

Mr. McINTOSH: Was there any promise of legislation which applied only to the Hong Kong veterans which has not been fulfilled except for the $1, the campaign pay, and losses of kit?

Mr. CLARK: The money was supplied in the order in council to pay the campaign pay, but we never got it.

Mr. THOMAS: This is a very serious matter and it ought to be followed through. This committee should find out about these promises; who made them, how responsible they were, and to what extent they have been fulfilled.

Mr. LENNARD: You say there was an order in council?

Mr. CLARK: I have it right here. It is P.C. 3593, Appendix A, dated May 16, 1954. The other is P.C. 105238.

Mr. LENNARD: I think this ought to be followed up and that we should have an explanation as to why it was not paid in full.

Mr. McINTOSH: Could we have that now? I am wondering if there was an error. Have the veterans been told?

Mr. CLARK: We come down and see the members and the senators and they say, "We will fix this up with the department" and when it gets to the department the answer you get is rolled up in red tape. They say, "Try the Department of National Defence", the Department of National Defence says that it is not their job and tells us to try the Department of Finance, and from the Department of Finance you go to the Secretary of State and then it goes around and around. There are the letters; there are piles of them.

Mr. McINTOSH: We see them day after day.

Mr. CLARK: If you do make any decision, all we ask is that you see it is followed through or we will have to come back here again.

The CHAIRMAN: I think it should be possible to obtain all the relevant data upon which we can base any recommendations.

Mr. MACDONALD (*Kings*): I was going to ask if it is possible that that four months would be the period in which the special force was raised.

Mr. CLARK: Yes.

Mr. MACDONALD (*Kings*): After the end of the European campaign?

Mr. CLARK: Yes.

Mr. MACDONALD (*Kings*): I understand they had special pay.

Mr. CLARK: Yes.

Mr. MACDONALD (*Kings*): Up to that time I assume the people in the far east were considered on the same basis as those in Europe. Would that have any bearing on it?

Mr. CLARK: It did have a bearing on it, but as we pointed out when we appeared in front of the committee on veterans affairs, we did not quit the war; we were still fighting. Fellows were escaping and sabotage was being committed. We carried on right to the bitter end, and we say we deserved the pay. Your committee agreed to that. But after many months when they decided to pay it, we found out it was slightly cut. They would not do anything about it.

Mr. WEICHEL: I was going to ask you, if this committee decided on giving these people their request, how could we figure out what should be done about the other 7,000 who might put in their claims. The reason I mention that is because we have to come to some decision. If you do not, those funds are going to be there a long time after these people are dead and somebody else will get it who is not as worthy as these men.

Mr. HURD: I think, as pointed out, we have much better claim to it—not that I am trying to discriminate against my comrades who served in Europe. Here are some of the facts, as I remember them, that were mentioned by the Minister of Veterans Affairs, when something like this came up. He stated that the Hong Kong survivors, due to their medical record when they arrived in Canada, were in much worse condition than prisoners from the European theatre of war.

Now I cannot tell you, sir, how many Red Cross parcels, for example, our comrades had in German prisoner-of-war camps. I understand unless they fell into the hands of the Gestapo, they arrived quite regularly. But in four years of internment I received six which, spread over a period of four years, is quite a small number. The Germans were not a thieving race like the Japanese. The Japanese were selling Red Cross food that had been sent to us. We had definite evidence of that in our camp. These facts came out in connection with the trial of Colonel Tokanago, when he was tried for misusing us in Hong Kong. I think that is a practical point in our favour, of not being quite so much concerned with the European prisoners, except in individual cases.

Mr. MONTGOMERY: If there is no money in this fund when it is finally wound up—you, of course, expect your share of it—but supposing there is not enough in the fund after the claims are all adjudicated, and it is paid out and you are still short 25 or 30 cents of this amount for which you are asking, you are really asking the government to come through and pay that out of consolidated revenue.

Mr. CLARK: I will answer that question. We saw the Honourable Roch Pinard three or four years ago in the Department of Finance. He said there were not going to be any more payments made and the money was going to be put into the Canadian treasury. We objected strenuously at that time. We

pointed out if the Canadian government did have to pay out a little more in order to pay all the claims, they had saved an additional sum of money while we were prisoners of war. They did not feed, clothe or arm us. They saved a lot of money, so in the end they would be nothing out.

Mr. CLANCY: In talking about the European prisoner being made to work, he was paid in laager gelt and received a fairly good rate of exchange when he came back, and he could collect. If he brought enough laager gelt back with him he could collect in cash the total amount for every day he worked.

Mr. CARTER: That has to do pretty well with the question I had in mind. I was not clear whether or not their loss of pay was due only to the depreciation of the yen or whether they had not been paid as many yen as they were entitled to receive in accordance with international law. What is the situation?

Mr. CLARK: We gave them 35 yen and got $7.50. But if you took the prewar rate of the yen and said: all right, you are entitled to so many yen a day under the prewar regulations and international law, we would not have any claims now.

Mr. CARTER: You got all the yen to which you were entitled, but they were not worth anything.

Mr. CLARK: Yes. In some cases they paid it to you and while you were asleep they took it away. When the guards came along you would be asked to stand up; they would take it out of your pocket and pay it out all along the line.

Mr. PUGH: I would like to read a paragraph from a letter which I received the other day. It covers a number of things.

> There is another aspect that cannot be overlooked when it comes to just consideration. Any Canadian prisoner of war paid his own way. The Japanese rented our services to the employer, whether it was in the shipyards, warehouses or mines. They had a set fee per diem. Of this money the Japanese army took so much for our room and board, medical care—practically non-existent. They claimed they were putting so much into the Japanese postal savings and the remaining 10 or 15 sen was given to the prisoner of war. One would labour for a month and barely have enough to buy ten cigarettes if they were available.

Mr. HURD: I think perhaps I can add some more information to Mr. Clark's statement. Perhaps you are vague on what yen is. As I understand it, the Japanese had yen in their own country which was legal tender, but when they invaded a place like south China they had a machine that rolled off money called military yen, which they would not honour in their own country. This yen was called military yen. Although I am not an expert in relating the difference in cash, I think what I am saying is correct.

Mr. CARTER: Well, it is laid down somewhere in international law how many yen a prisoner of war is entitled to receive a day. The government could easily calculate how may yen they would have to redeem if they were going to pay the prisoners at the proper exchange rate, at the prewar rate. It has been most difficult to obtain any information other than the information that has come in here; that is, 35 yen for $7.50.

Mr. STEWART: Mr. Carter is talking about the daily rate.

Mr. CLARK: I think the information you require can be obtained from the International Red Cross.

Mr. HERRIDGE: I would suggest, Mr. Chairman, that rather than spend the remaining time going all through these Japanese financial finaglings—they mentioned that they would be happy if they got an extra $1 a day; and I suggest we stay with that.

Mr. CLARK: Yes. We asked for $1.50, but if the committee will see that it does not get bogged down in the department for another year, we would be pleased to accept that.

Mr. CARTER: I have every reason for pursuing my line of questioning. I was trying to estimate the unredeemed promises. They were promises and the promises were not kept. Those promises had a certain cash value which is still outstanding. There is a moral obligation.

Mr. THOMAS: Would you enter into that particular promise? I understand this was a promise made by the Canadian government.

Mr. CLARK: We are still pressing for the forced labour payment because we never got paid for it. It is as simple as that.

The CHAIRMAN: Mr. Herridge made a wise comment a moment ago when he said that we have been wandering somewhat from the purview of the brief. We are reopening a lot of issues that have been discussed down through the years, since 1945. I have heard some reference made to this committee. It was not actually this committee that sat in consideration of this matter because this is a standing committee on veterans affairs and the former committees that considered these matters were special committees of veterans affairs. I think it would be understood that this committee as such has no responsibility for those decisions that were made years ago, particularly this yen issue. It must have been made with all the facts and the information before the committee. I wonder if we could stick to the contents of the brief before us.

Mr. CARTER: I do not agree with you. That particular issue is raised here in this brief. The witnesses are here and I think this should form a part of the proceedings— and this is irrespective of what committee sat or when it sat. If there is an obligation on the government to do that, I think we should be sure about it. I think we should know exactly and precisely what it amounts to.

Mr. MACRAE: I think while we have deviated, it has ben time well spent because the new members are not aware what the situation has been. I think Mr. Herridge's suggestion was a wise one. All of this has been good; and when we finally make our recommendation it can be remembered. However, I think we have pretty well covered the issue at this time.

Mr. STEARNS: I have one question: are there copies of the Ilsley report available that could be passed around to the members who have not had the opportunity of reading it.

Mr. CLARK: We may have one or two here.

Mr. STROUD: We do not mind leaving the copies we have on hand.

Mr. CLARK: If you want some good reading, something that will pin your ears back, something like the Bridge on the River Kwai, I would ask you to read that report all the way through. It makes good reading and is very amusing.

Mr. BROOME: I will move that the committee be supplied with copies of that report.

The CHAIRMAN: We will have to see if copies are available. The name of the report is "war claims report of the advisory commission, February 25, 1952".

Mr. BROOME: We have the right to send for papers and we are going to ask for fifty copies. My motion has been seconded and I ask that it be supplied.

Mr. HERRIDGE: I quite agree with Mr. Broome; but if, by chance, it is not available and the information is extinct, we should not ask for a reproduction.

Mr. BROOME: If available.

Moved by Mr. Broome and seconded by Mr. Stearns.

Motion agreed to.

The CHAIRMAN: How are we coming along with the discussion of the brief? Are there any further questions?

Mr. THOMAS: I may be dumb, but I am still not clear on what this implied breach of faith involves. The witnesses have said that certain promises were made in times past and have not been kept. I would like to have placed on the record, if possible, a definite statement of what those promises were and in what respect they have not been kept. We are all mixed up with dollars and yen, and I am not sure whether the promise was with regard—

The CHAIRMAN: Mr. Thomas, as I read the brief—and you have a copy before you—it is dealing with the extra compensation for forced labour. There is a comment at the end of the brief, which was raised by Mr. McIntosh: "Canada has brought forth legislation for Veterans which is surpassed by no other nation. We only request that this legislation be honoured".

As a result of that in answer to the query some further statements were made outside the brief on the point of legislation which has not been honoured. That is where the yen discussion originated. It is not in the brief as such.

Mr. BROOME: I think it is. Here they mention the United States, Australia and New Zealand in the rate of recompense for forced slave labour and hardship. It came to $2.50 a day. Ours has come to $1.50. In that way I think it states in the brief that we are not as good as some other countries in that regard.

Mr. STROUD: That is what we had in mind.

Mr. THOMAS: That is still not an answer to my question.

Mr. CLARK: I would state that if we had been paid by the Canadian government for the yen that the Japanese paid us, or did not pay us, and if we received Japanese pay in full when we came back, we would have no claim for forced slave labour.

We did not receive the payment, so we are making a claim against enemy war assets that were held in this country. The war claims commission said they had other commitments. They have paid that money out to these large companies or other organizations and the money has all gone.

The claim, as far as we are concerned, still stands, because human rights and our pay is involved. They should have paid that first.

Mr. THOMAS: I have one more question. Is the witness now saying that the Canadian government made promises which they did not keep? That is the point.

Mr. CLARK: I would say departments of the Canadian government did not. When we met the different members here, they did everything they could; but the Department of National Defence certainly did not keep its promises.

Mr. MCINTOSH: You said the rate was $7.50 for a certain number of yen. What did you expect to get for that yen?

Mr. CLARK: I could not tell you what it amounted to. You could get that information from the war claims commission in Washington, D.C. I did have it, but I sent it on to England and asked them to return the copy, and they did not do it.

Mr. MCINTOSH: Was it 10 per cent or five per cent?

Mr. CLARK: I think it was about 10 yen to the dollar, something like that.

Mr. MCINTOSH: How many did you get for $7.50?

Mr. CLARK: Thirty-five.

Mr. MCINTOSH: That, to me, is only $3.50, and you got $7.50 for it.

The CHAIRMAN: Have we completed our discussion on the yen issue? As I understand it, the yen issue has merely been thrown in as illustrative material. The point at issue here is the forced labour payment.

Mr. THOMAS: I would agree that the yen issue has little to do with this. All I was interested in establishing was, were promises made to these men by the Canadian government, or by any department of government or by any responsible official, which have not been kept?

Mr. CLARK: They were made by the hon. Mr. Claxton in the Department of National Defence. I forget the date, but it would be on record. The delegates were Mr. Clark, Mr. Peller and Mr. Stager.

Mr. THOMAS: Were promises—

The CHAIRMAN: Mr. Thomas, if we were to start pursuing promises that have been made by politicians down to the enth degree—

Mr. THOMAS: I do not think we should dismiss it like that.

The CHAIRMAN: Or are we going to stick to the subject matter of the brief?

Mr. ROGERS: I do not think it matters one dime whether the war claims has a fund or whether it has not. If the request in this brief is justified, then it is up to the national revenue to pay it. That is all I say.

The CHAIRMAN: Have we any further discussion? We have put in a very good day's work and we must conclude within a reasonable space of time. But we wanted to have a thorough and complete discussion on the contents of the brief before us. Have we completed that discussion?

Mr. MCINTOSH: Just for the record, I think the witness misunderstood a point in his statement. It was pointed out to me in one of the letters that my colleague has here that the government would only cash 35 yen of the amount that they had.

Mr. CLARK: That is right.

Mr. MCINTOSH: Not that they expected to get that as yen for—

Mr. CLARK: No.

Mr. MCINTOSH: You have thousands of yen, I suppose?

Mr. CLARK: Yes. One boy here has 10,000.

Mr. STROUD: In certain camps we got it all thrown out at the end of the war and we had a big crap game. Some came back with nothing, and some with a great deal, because they would only cash 35 yen, and that was it. But others did not have any yen to cash. That is what it was.

The CHAIRMAN: Gentlemen, the discussion seems to be a little ragged around the edges here. Are there any further comments?

Mr. BROOME: I move we adjourn.

Mr. CLARK: Could I speak before we adjourn?

The CHAIRMAN: Yes.

Mr. CLARK: I wish to thank the chairman and the committee for the fine attendance and their kindness to me, because I get wound up at times.

The CHAIRMAN: Speaking for the committee, Mr. Clark and gentlemen, it has been a pleasure to have you and to meet you personally. The points that you have raised will be given very careful consideration by the members of the committee.

We meet on Thursday morning. The clerk informs us that we have no designated room. Is the hour 10.30 or 11.00 o'clock.

The CLERK: At 11.00 o'clock.

The CHAIRMAN: It does not overlap with other committees?

Mr. BROOME: Estimates are on that morning. Not enough care has been taken to see there is no overlap.

The CHAIRMAN: So far we have only two committees meeting on the same day, and the hours are staggered.

Mr. BROOME: You will be meeting within half an hour of the other committee.

The CHAIRMAN: That is why I was inquiring whether it would be better to commence our committee sittings at 11.00 o'clock rather than 10.30.

Mr. BROOME: I think the Clerk should check with the other committee and give a decent space of time.

The CHAIRMAN: We are willing to sit from 11.00 to 1.00 o'clock, if that overcomes the traffic jam.

Mr. MACDONALD (*Kings*): On Thursday?

The CHAIRMAN: Yes. We will continue our discussion on the estimates. Thank you for a very good day.

—The committee adjourned.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

RECEIVED
MAR 26 1959
LIBRARY OF PARLIAMENT

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

Estimates 1959-60 of the Department of Veterans Affairs

THURSDAY, MARCH 12, 1959

WITNESSES:

Mr. Lucien Lalonde, Deputy Minister of Veterans Affairs; Mr. F. T. Mace, Assistant Deputy Minister; Mr. L. A. Mutch, Acting Chairman, Canadian Pension Commission; Mr. F. J. G. Garneau, Chairman, War Veteran's Allowance Board; Mr. R. Bonnar, Assistant Departmental Secretary; Mr. G. H. Parliament, Director-General, Veterans Welfare Services.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

20819-9—1

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.,

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

Badanai	Herridge	Peters
Batten	Jung	Pugh
Beech	Kennedy	Roberge
Benidickson	Lennard	Robinson
Broome	Macdonald (*Kings*)	Rogers
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

House of Commons, Room 238-S.
THURSDAY, March 12, 1959.

The Standing Committee on Veterans Affairs met at 11:00 o'clock a.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Badanai, Broome, Dinsdale, Fane, Herridge, Kennedy, Lennard, Macdonald (*Kings*), MacEwan, MacRae, Matthews, Montgomery, O'Leary, Ormiston, Parizeau, Roberge, Rogers, Speakman, Stearns, Stewart, Webster, Weichel.

In attendance: Messrs. L. Lalonde, Deputy Minister of Veterans Affairs; F. T. Mace, Assistant Deputy Minister; L. A. Mutch, Acting Chairman, Canadian Pension Commission; F. J. G. Garneau, Chairman, War Veterans Allowance Board; G. H. Parliament, Director-General, Veterans Welfare Services; P. E. Reynolds, Chief Pensions Advocate; C. F. Black, Secretary of the Department; R. Bonnar, Assistant Departmental Secretary; J. E. Walsh, Director of Finance, Purchasing and Stores, with his assistant Mr. A. F. Graves; Mr. J. G. Bowland, Research adviser; Mr. G. S. Way, Chief of Information; Mr. Fred Brown, Superintendent Welfare Branch, Edmonton, Alberta.

The Chairman informed the Committee that the following documents were supplied to each Member in his mail box:

1. Scholarships for Pensionable Children.
2. War Veterans Allowances and The Assistant Fund 1957.
3. The Veterans' Land Act—A Summary of its Provisions.
4. War Claims—Report of the Advisory Commission, February 25, 1952.

The Committee resumed from Thursday, March 5, 1959, consideration of the Estimates of the Department of Veterans Affairs for 1959-60.

Messrs. Mace, Parliament and Mutch gave answers to questions asked at former sittings of the Committee.

Item 455 was further considered and finally approved.

Item 456 was considered. Mr. Garneau was called. During his examination Messrs. Bowland and Lalonde gave answers to specific questions. The said item was approved.

Item 457 was considered. After some discussion thereon the said item was approved.

Item 458 was considered, with Mr. Parliament under questioning. The said item was finally approved.

Item 461 was considered, with Messrs. Lalonde and Mace under questioning. The item was approved.

Item 462 was considered, with Mr. Lalonde under questioning. The item was finally approved.

Item 460 was considered. Mr. Bonnar was called. During his examination he was assisted by Messrs. Lalonde, Mace and Mutch. The said item was approved.

20819-9—1½

The Chairman informed the Committee that at its next sitting representatives from the Sir Arthur Pearson Association of War Blinded, and the Corps of Canadian (Overseas) Fire Fighters would be heard.

At 12:30 o'clock p.m. the Committee adjourned to meet again at 11:00 o'clock a.m. Monday, March 16, 1959.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

THURSDAY, March 12, 1959.
11 a.m.

The CHAIRMAN: Good morning, gentlemen. Some of you have already been busy in other committees, so I trust you are not too exhausted to carry on with veterans affairs. I believe you have received in the mail copies of these helpful little publications. They include copies of the War Claims Advisory Commission report. That matter has been looked after.

Mr. SPEAKMAN: Mr. Chairman, before we proceed, may I ask that a correction be made in report No. 1?

The CHAIRMAN: Yes.

Mr. SPEAKMAN: I am quoted as saying there is a $2\frac{1}{2}$ million veterans hospital. It should be "federal".

While I have the opportunity, Mr. Chairman, it is a real pleasure for me to see Mr. Fred Brown, who is superintendent of the welfare branch in Edmonton, present this morning.

The CHAIRMAN: We welcome Mr. Brown to our committee this morning. There are one or two statements arising from our discussion last Monday at this time. The assistant deputy minister has a statement.

Mr. F. T. MACE (*Assistant Deputy Minister, Department of Veterans Affairs*): Mr. Rogers I believe raised some question about insurance coverage in respect to government motor vehicles. I should like to place a statement on record.

Neither government travel regulations nor the department requires the driver of a departmentally-owned vehicle to carry insurance covering public liability and property damage.

In the early days of V.L.A., when they had a fleet of several hundred vehicles, it was the general practice for their drivers to carry such insurance, but it is not so today when the V.L.A. fleet has been reduced to some 60 vehicles, and we have not required this insurance for some years past.

Under the government travel regulations the operator of a personally-owned motor car used on departmental business is not required to carry insurance covering public liability and property damage. The higher mileage rates —which I recorded at the last meeting—which are paid thereunder, constitute an encouragement to drivers of privately-owned motorcars to carry such insurance at the level set out in the regulations.

The CHAIRMAN: Mr. Parliament, director of welfare services.

Mr. G. H. PARLIAMENT (*Director of Welfare Services, Department of Veterans Affairs*): Mr. Montgomery asked me for a statement at the last meeting as to the number of nurses we had in training, and I quoted 27 university training and promised to get through hospitals the figures of the trainees and nurses. Of 382 females training under the Children of War Dead legislation, 248 are in training in nursing.

Also, if it is of any interest, there are 706 girls of the 382 who are in training as public school teachers. This is a post-secondary school, but not necessarily university training.

The CHAIRMAN: Mr. Mutch has a statement.

Mr. MUTCH: On Monday last, Mr. Carter and others asked whether or not a grant towards "last sickness and burial" expenses would be taken into consideration in adjusting pension to a widow who later received damages from a third party in respect of the death of her husband, and elected to retain these damages.

I am not sure that my reply was sufficiently definite. May I now say that such a grant is made in the discretion of the commission, and is not affected by the subsequent financial position of the applicant, and is not recoverable.

The CHAIRMAN: Does that clear the air, gentlemen? We resume our discussion of the estimates and item 455, veterans bureau. The details are on page 560 of the blue book. Have we any further questions on veterans bureau?

Mr. SPEAKMAN: Has Mr. Reynolds a statement for us?

The CHAIRMAN: He was before the committee at the last meeting when we considered the estimates, and made his statement at that time. Actually we were winding up our discussion of the veterans' bureau, and perhaps we have concluded all the questions under this item.

Item 455 agreed to.

The CHAIRMAN: Item 456,

SOLDIER SETTLEMENT AND VETERANS LAND ACT

456. War Veterans Allowance Board—Administration ..... $ 155,974

You will find the details on page 561. We have Colonel Garneau with us this morning to answer all your questions. Welcome, Colonel Garneau.

Mr. HERRIDGE: Mr. Chairman, I should like to have the honour of asking Colonel Garneau the first question.

Colonel F. J. G. GARNEAU (*Chairman, War Veterans Allowance Board, Department of Veterans Affairs*): I was going to make a brief statement.

Mr. HERRIDGE: Pardon me.

The CHAIRMAN: I think that might be advisable. We will reserve that honour for you, Mr. Herridge.

Mr. HERRIDGE: Thank you.

Mr. GARNEAU: Mr. Chairman, gentlemen, it is not my intention to make a long opening statement nor again to cover the past history of the War Veterans Allowance Act, as I presume that you are now quite familiar with its objects as well as with the part it has played and continues to play in our veterans' welfare.

I thought, however, in relation to the War Veterans Allowance estimates which you are about to consider, I might give a very brief outline of the salient features of the administration.

The minister is charged with the administration of the act, except as to the powers and jurisdiction to deal with and adjudicate upon applications for allowances under the act.

This authority and jurisdiction is shared between the board, in Ottawa, and district authorities which are established in each district of the department across Canada, and consist of such number of persons employed in the department as the minister may prescribe. These district authorities, 18 in number, deal with and adjudicate on all applications, reviews, suspensions and cancellations of war veterans allowances within their respective districts.

The war veterans allowance board acts as a court of appeal for applicants or recipients who may feel agrieved by the adjudication of the district authority; it may also, on its own motion, review adjudications by the district authorities and deal with same as though an appeal had been taken. It may likewise review or alter any adjudication made by itself.

The board is responsible also for instructing and guiding district authorities in matters of policy and for advising the minister with respect to regulations concerning the procedure to be followed in matters coming before the district authority for adjudication.

The district authorities and the veterans welfare services in each district constitute a "field force", so to speak, which handles the processing of applications and reviews, makes arrangements for medical examinations where indicated, and deals with all other matters pertinent to the good administration of the act in their own districts.

This, briefly, is the administrative set-up presently in force.

The thought also occurred that your committee might wish me to mention those principal amendments which were made to the act some 15 months ago and which may have had a more direct effect on the estimates which you are about to consider.

These amendments were, in the main: increase in basic rates and ceilings; the reduction, from 20 to 10 years, of the qualifying period of residence in Canada required in the case of ex-imperial and allied veterans and widows; the amendment making the United Kingdom a theatre of actual war for Canadian veterans of World War I who served in the United Kingdom for at least 365 days prior to November 12, 1918.

The authorization to pay orphans' allowances to orphans pensioned under the Pension Act, who hitherto were not eligible.

These amendments, in the main, have accounted in some measure for the rise in the costs of war veterans allowances.

In closing, I may add that, as the board does not keep separate statistics, I shall be indebted to the research advisor of the department for most of the statistical information which you may require in connection with your consideration of the estimates. Thank you, gentlemen.

The CHAIRMAN: Thank you, Colonel Garneau.

Mr. HERRIDGE: Mr. Chairman, for the information of war veterans allowances recipients who often ask me questions about this matter, I had intended to ask Colonel Garneau to explain the administrative procedures with respect to the war veterans allowance board itself and the district authorities of the war veterans allowance board. Colonel Garneau has answered my question in his statement.

Mr. MACRAE: I would like to ask the chairman of the war veterans allowance board if he could state how many awards have been made because of the change in the legislation from 15 months ago. That is, how many additional awards would apply directly to the clause which makes the United Kingdom a theatre of war for those who served there for a period of 365 days?

Mr. GARNEAU: I am indebted, here again, to notes from our research advisor, whom I have asked for this information.

With respect to the increase in the number of W.V.A. recipients as a result of the increases in rates and ceilings at July and November 1, 1957, it is rather difficult to be precise. This is because the increase in rates and ceilings had some impact on the new groups provided for in the legislation in 1957. It is also because many veterans and widows became eligible in the normal course of events because of reaching 60 years of age, or 55 years of age.

However, it has been estimated that there were some 1,800 more on strength at the end of October, 1957, which resulted from the changes made on July 1, preceding. After that, allowing for the increases in the three new groups, there was an increase of some 1,000 during the calendar year 1958, which resulted from the increase in rates and ceilings as at November 1, 1957.

In summary, the increase in rates and ceilings in 1957 resulted in an estimated additional 2800 by December 31, 1958. This figure of 2800 represents an increase in recipients on strength rather than the actual number of awards. Does that answer your question?

Mr. MACRAE: Yes, thank you, Col. Garneau.

Mr. MONTGOMERY: Mr. Chairman, may I ask Col. Garneau a question? Is that percentage of increase much more than the usual percentage for the three or four years before that? That may not be available; it may be a difficult question to answer.

Mr. GARNEAU: I do not know whether I can answer that accurately offhand. It is pointed out to me by Mr. Bowland that this amount is over and above the normal increase, because of the amendments.

Mr. WEICHEL: Mr. Chairman, I believe at the last meeting I asked a question of Colonel Garneau and he was to look the answer up for me. I am not in a hurry about it.

I mentioned at the last meeting the young chap who came from England in 1910. When the war broke out he went back to England and served in the Royal Air Force. He came back to Canada as an instructor. I was wondering, if he had served 365 days in England, would he be in line for war veterans allowance?

Mr. GARNEAU: That answer has to be somewhat qualified, sir. He was with the Royal Air Force, and the amendment covers veterans who were members of the Canadian forces during 365 days in England. So the answer to that question is based on the answer to the question we are asking the district authority to investigate at the present time, as I informed you. That question is to find out how long he had served if transferred or loaned to the Royal Canadian Air Force or if he had actually flown over on some sortie which took him over the continents of Europe, Asia or Africa.

The act itself is rather—I will not say vague, but imprecise. I will quote from the act:

> In the case of World War I, the theatre of actual wear is, (A) as applied to the military or air forces, the zone of the allied armies on the continents of Europe, of Asia, or of Africa, or wherever the veteran has sustained injury or contracted disease directly by a hostile act of the enemy

So we are trying to find out now if in his record he had some flights out there, which would give him a break. But if he was a mechanic and had never gone out of England, I am not ruling on the question—

Mr. WEICHEL: I thought in this case he should be given some consideration as he was transferred back here as an instructor and served right through the whole war back in Canada.

Mr. GARNEAU: The point is well taken. I am making a note of that.

Mr. MACDONALD (*Kings*): I would like to ask whether Col. Garneau has figures of the increase in recipients for the last five years for World War I and World War II. I would also like to comment that in my experience with a number of applicants, the department has been very generous in their treatment of recipients.

Mr. GARNEAU: You say "the increase for the last five years". Do you mean, as they were five years ago and as they are today, by year? Is that your question?

Mr. MACDONALD (*Kings*): Yes. Have you actual figures, Col. Garneau?

Mr. GARNEAU: In 1954 there were 30,650 veterans; in 1955, 32,476; in 1956, 37,320; in 1957, 39,204 and in 1958, 42,346.

Mr. MacRae: My question, Mr. Chairman, is supplementary to that. I wonder if Col. Garneau could give us some indication on this, if his research staff have worked it out? When is it expected that the peak of war veterans allowance recipients will be reached? There will be some date, I presume that the research staff at least has in mind, as far as World War I is concerned, and then we will begin to decline.

Mr. Garneau: That is the $64,000 question. Originally the peak for World War I was expected to be 1957.

Mr. MacRae: Of course, the change in legislation had some effect.

Mr. Garneau: Yes.

Mr. MacRae: And further changes in legislation could affect the validity of any answer you could give now?

Mr. Garneau: Absolutely.

Mr. MacRae: But you really cannot say.

Mr. Bowland: We have made an estimate for 1986. The peak of World War I will be reached in 1961-62. But this is subject to change—

Mr. Macdonald (*Kings*): 1986 in both world wars?

Mr. Bowland: That is true.

Mr. Herridge: Is it true to say we are living a bit longer than you anticipated?

Mr. Speakman: Mr. Chairman, I have a letter before me which I received this week. It concerns a World War I veteran. The letter is not complete and I have asked for further details regarding the veteran. But the welfare officer of a local Legion branch writes in part that this man served in World War I and only had 11 months' service in England. It so happened that his travelling time to and from England gave him the full year. Would he then be eligible for war veterans allowances?

Mr. Garneau: This is a point that was debated after the amendments were passed, and we found it very difficult to establish a starting and finishing line. Therefore since service in England was involved, we took in, the date taken on strength on arrival in England, and the date struck off strength in England. That would cover the actual time he was in the United Kingdom.

Mr. Speakman: Would circumstances mitigate in his favour, perhaps? The writer says he is very handicapped and badly in need of assistance.

Mr. Garneau: It is not that we are not sympathetic at all—far from it; but at the same time those were the yardsticks we used. If we start breaking it down, it might become a little difficult to administer in the long run because, as we know, in matters of welfare, it is quite natural for everyone to have a good argument, you might say, on his own behalf.

I am afraid that the circumstances would not mitigate in his favour if he does not meet the conditions of eligibility.

Mr. Speakman: Knowing as we do the scale of welfare payable from other welfare agencies—and I also feel that we have a responsibility, rather more than any other welfare agency, toward a veteran—just how close do we keep to the line on this regulation.

Mr. Garneau: We are as lenient—let me put it this way—and as broad in this respect as possible, consistent with the legislation we have to administer. It is simply a matter, I would say, in a case of that kind, of where we should draw the line in trying to be generous? If we start making an exception for this one or that one on this ground or that ground, it would be very difficult to administer.

Mr. Montgomery: It seems to me that if you do not use the yardstick which Col. Garneau has mentioned, you are going immediately to indicate that you

are putting people on strength in Canada with regard to veterans allowances. If you use any date other than the one when they were taken on strength in the United Kingdom, another man will come in and say "I was serving in Canada".

Mr. GARNEAU: That is why that question was very seriously considered. We felt that the present interpretation was fair.

Mr. LUCIEN LALONDE (*Deputy Minister, Department of Veterans Affairs*): I do not think the act allows for any other interpretation. The act says he must have served in the United Kingdom for at least 365 days.

Mr. MONTGOMERY: I agree. I do not see how you could interpret it otherwise.

Mr. HERRIDGE: If we could persuade the government to change the act so that it read "from the date of embarkation leaving Canada until the date of landing in a Canadian port on return after service in England" that would give a considerable number of war veterans the allowances, which are not allowed under the present legislation.

Mr. GARNEAU: I suppose it would actually broaden the field of eligible recipients. But that is a matter, as you pointed out, of government legislation.

Mr. KENNEDY: Mr. Chairman, we are all aware that there are quite a number of imperial veterans in this country who are in dire circumstances. I know of one specific case of an imperial veteran who did not have service in France. This man is seriously ill and is in very bad circumstances. Is there any possibility of any assistance being given to that type of veteran?

Mr. GARNEAU: This is dealing with World War I, I presume?

Mr. KENNEDY: Yes.

Mr. GARNEAU: If he was an ex-imperial veteran and did not serve in a theatre of actual war, I am afraid he is out. He just does not meet the conditions of eligibility. The same thing applies, unfortunately, to our own Canadian veterans who did not have service in a theatre of actual war or were not in receipt of a pension in respect of such service.

Mr. WEICHEL: Mr. Kennedy asked whether there was any fund that could be applied to them.

Mr. LALONDE: The welfare funds that we have are either the canteen fund raised in the Canadian forces or some funds donated to the department for welfare purposes, with the proviso that the money would be spent for Canadian veterans. At the moment we have no fund which has been donated to us with authority to spend the proceeds for the benefit of ex-imperial veterans.

Mr. WEICHEL: In regard to Mr. Kennedy's remark about his friend, if the veteran he is referring to cannot receive the war veterans allowance, perhaps he could receive the old age assistance at age 65.

Mr. MONTGOMERY: I have an additional question on this point. Will these officers who were on loan to the imperial forces in the second world war be considered as being in Canadian service when the time comes for them to apply?

Mr. GARNEAU: Former members of the Canadian forces on loan or serving with the imperial forces, would still be members of the Canadian forces.

Mr. ORMISTON: I have a question in mind in regard to contributions of war veterans allowance with regard to navy veterans. Is there any difficulty in interpreting the act in this regard?

Mr. GARNEAU: Have you any actual point in mind?

Mr. ORMISTON: No. Is it established in the same principle as the length of service for those above the 365 days in a certain theatre. Would that be taken care of in some other branch?

Mr. GARNEAU: It is likely different in the case of the naval forces for world war I. If you wish, I will read a quotation from the Act.

Mr. ORMISTON: I would like to hear what you have to say in this regard.

Mr. GARNEAU: The definition of theatre of actual war in the case of world war I states:

> As applied to the naval forces, the high seas or wherever contact has been made with hostile forces of the enemy, or wherever the veteran has sustained injury or contracted disease directly by a hostile act of the enemy.

Mr. MACEWAN: In connection with that point you are drawing a thin line in regard to 365 days' service in the United Kingdom. I had a case which I brought to the attention of the department where a man only needed seven days to qualify for the war veterans allowance on the grounds of service in England. I suggested he had gone over on an English boat and was on guard duty, and perhaps that would be service in England. However, it did not work. I think that was pretty close to the line.

Mr. HERRIDGE: As a result of the question asked by the hon. gentleman to my right, this has occurred to me: naval personnel on the high seas are liable to the hostile action of the enemy. But once a veteran embarked at a Canadian port for England, he was also subject to the hostile action of the enemy.

Mr. GARNEAU: I suppose so.

Mr. HERRIDGE: He was in the same position as the naval personnel as far as torpedoing is concerned.

Mr. GARNEAU: Yes.

Mr. HERRIDGE: I think that is a good argument at least toward extending this from the time when they leave Canada up until the time they return. I will pursue that matter further, and I hope to have the support of other members of this committee.

Mr. ROGERS: I realize that the administration must be governed by regulations, but two questions were discussed in the last session and one of them was this ceiling of $8,000. When was that raised to $8,000?

Mr. GARNEAU: In November, 1957, when the last amendments were passed.

Mr. ROGERS: I think it should be raised again, because you just cannot buy a property for $8,000. I think it curtails quite a number of applicants; at least, it cuts the allowance down. I would like to see the committee take a stand and make a recommendation that this ceiling should be raised at least another $2,000.

Mr. LALONDE: You realize, Mr. Rogers, that $8,000 is not the value of the house.

Mr. ROGERS: What is it?

Mr. LALONDE: It is the value of the equity that the recipient has in the house in which he resides.

Mr. ROGERS: That is right, but what is an $8,000 home today?

Mr. LALONDE: I think it is our experience that there are comparatively few applicants or recipients who own their own homes outright. Many have a mortgage, and that is not equity.

Mr. ROGERS: I agree, but there are other angles to this, sir. Take the case of farmers who are unable to farm. Perhaps they have a quarter section of land. Of course the investigators come out to them and probably tell them

to sell the property and buy a home, and all the rest of it. I say that it deters a number of applicants. I think that ceiling should be raised. I realize you cannot do anything about it; but I think we as members of the House of Commons could do something about it.

Mr. GARNEAU: We would be very glad to implement any change that parliament wishes to make, sir, as has been stated before.

Mr. MACDONALD (*Kings*): On the question of overseas service for a world war I veteran, is he considered as serving overseas from the time he leaves Canada, or is it from the time he arrives in England? Could you give a decision on that?

Mr. GARNEAU: Again, while he is actually serving in England. Was that in connection with the 365 days?

Mr. MACDONALD (*Kings*): Yes.

Mr. GARNEAU: Oh yes, from the time he is taken on strength on arrival in England until the date where he is struck off strength for his return to Canada that, as pointed out by the deputy minister, is the only interpretation that can be given to the term "service in" the United Kingdom.

Mr. MACDONALD (*Kings*): Would it not be a general principle that when a man leaves Canada he is starting his tour at that time. I am not referring to the way the act is constituted at the present time, but I agree with the other members it might be changed and still come within the principle of the legislation to allow a man the time while he is on the high seas.

Mr. GARNEAU: That is really a point which would have to be clarified, possibly by another amendment to the act. I cannot see that we can otherwise than find, as the district authority and ourselves are finding, in the application of the present clause governing that situation.

Mr. FANE: Mr. Chairman, I have a letter here from which I would like to read certain sentences, and I would like to have Colonel Garneau's reaction to them.

Mr. ORMISTON: I have a supplementary question, Mr. Chairman. Would time spent in the glass house be counted as service in the United Kingdom?

Mr. GARNEAU: I think they would allow it because he was in England during that time.

Mr. HERRIDGE: I have a supplementary question. Does that mean that a veteran who has spent his entire 365 days in the glass house would receive the war veterans allowance, and yet a veteran torpedoed at sea on the way to Britain, and survived, would not be applicable under the present legislation, if he was not in Britain 365 days?

Mr. GARNEAU: Let me say that was far-fetched; we have not had an extreme case of that kind to deal with, so I am not prepared to say exactly what the ruling would have been. But a man who was in detention could have had 28 days field punishment, or something like that, or been in the glass house for a few months, and we would not hold that against him in counting the actual days that he served in the United Kingdom.

Mr. MACRAE: I think these points are all well taken, because the great bulk of our difficulty is with those people who just do not quite make it. Mr. MacEwan said seven days; I have seen cases of 350 days, which are extremely necessitous and worthy.

Following up Mr. Macdonald's remarks, I might say that I was adjutant in the last war, and I seem to recall that we struck our men off strength in Canada on the day we put them on shipboard at Halifax. And, by the same token, they were not struck off United Kingdom strength until they disembarked at Halifax, on return. Colonel Garneau has explained that in world

war I they were not taken on strength of the United Kingdom until they disembarked there; and they were struck off strength of the United Kingdom on the day they embarked for Canada.

Mr. GARNEAU: What position would we be in? For instance, supposing that were to be done, and even allowing for shipboard time going and coming, and the applicant still lacked three or four days?

Mr. MACRAE: There would always be some few more days; but there would be no end to it.

Mr. LALONDE: Mr. Herridge, you cited the case of a man torpedoed at sea.

Mr. HERRIDGE: Yes.

Mr. LALONDE: I believe he is covered and is eligible for war veterans allowance. For purposes of this section "theatre of actual war" means, in the case of world war I:

> As applied to the military or air forces, the zone of the allied armies of the continents of Europe, of Asia, or of Africa, or wherever the veteran has sustained injury or contracted disease directly by a hostile act of the enemy.

Mr. HERRIDGE: I am thinking of a veteran who survived without injury or disease, but who was torpedoed. I have a case in mind.

Mr. GARNEAU: We should possibly take a fairly broad view of such a situation, because it does not seem to require that he actually be pensioned for that injury. If it is established that he had a broken arm or he was treated for an injury, or that he contracted pneumonia, or something, following the torpedoing—I do not think we could be too sticky about a case like that.

Mr. O'LEARY: Mr. Chairman, I do not know to whom I should direct this question, but I was wondering what guide or norm was used in arriving at this figure of 365 days. I presume someone was consulted and asked to determine, with a pencil, how much it would cost for those who qualified for 365 days, or for, say, six months. What was the basis that was used in arriving at that?

Mr. LALONDE: I know, Mr. O'Leary, that we have some information, but unfortunately I do not have the file covering that particular matter. Could we give you the answer to that question during a subsequent meeting?

Mr. O'LEARY: Yes.

Mr. MACDONALD (*Kings*): Might I interject to say that was the recommendation of the Canadian Legion before the act was changed.

Mr. LALONDE: Mr. O'Leary, I believe you will find the figures are rather interesting.

Mr. ROGERS: That, Mr. Chairman, is more or less in conformity with the original idea of 365 days of service.

Mr. GARNEAU: I do not quite understand your question, Mr. Rogers.

Mr. ROGERS: I am referring to this 365 days in the United Kingdom. Actually, a veteran has 365 days paid service, does he not? I think it is just more or less in line with the original idea, except they show United Kingdom as service overseas whereas they did not before.

Mr. GARNEAU: I think that had something to do with it.

Mr. MACRAE: A veteran could have one day's service, could he not?

Mr. ROGERS: Yes.

Mr. MACRAE: Where does the 365 days enter into it? What has the 365 days to do with the rest of it? That is what bothers us.

Mr. LALONDE: It has been used to determine eligibility for a veteran with service in Canada only.

Mr. MACRAE: In regard to other legislation?

Mr. LALONDE: For the Veterans Land Act.

Mr. MACDONALD (*Kings*): I think the general idea was that there was a fair number of personnel who had been detained in England for a year or more through circumstances beyond their control, and it was felt this group should be covered by war veterans allowance. There was considerable objection to having those who had been in England less than a year covered under the act. I think that is the general feeling behind the veterans' recommendations, and possibly the government's acceptance of it.

Mr. LALONDE: I think you will find, Mr. Macdonald, if you read the past records of parliamentary committees and the House of Commons, this suggestion originated principally on behalf of a number of Canadians who served in the United Kingdom only and were subjected to conditions of living that were pretty arduous. It was argued at that time that many of them suffered nearly as much as those who had to live in the trenches. This opinion was advanced by persons who had served in world war I. I have all this evidence on this particular file which I am talking about, and if it is the committee's wish, we can discuss it at a later sitting.

The CHAIRMAN: I think perhaps, Colonel Lalonde, we can defer our discussion until we have the full report before us.

Mr. MONTGOMERY: Could item 457 stand?

The CHAIRMAN: I think it will come in as a statement at our next sitting and we can allow any discussion that might arise from the statement. Perhaps we can do that without standing item 456.

Agreed to.

The CHAIRMAN: Have we completed our discussion?

Mr. HERRIDGE: I have one question, Mr. Garneau: The case I am referring to is that of a chap who served in the same batallion as I was in. He was what I term morally married; but was not considered legally married by the war veterans allowance board. On that account his widow is denied the war veterans allowance. Unfortunately, the first husband turned up quite unexpectedly just recently. They thought he was killed earlier in the first world war. Has any consideration been given to amending the act or suggesting an amendment to the act to cover this kind of case?

Mr. GARNEAU: Was he on an allowance as a married man?

Mr. HERRIDGE: Not at the time. He had not applied for the war veterans allowance. That is the unfortunate part of it.

Mr. GARNEAU: He was not on allowance and had not applied?

Mr. HERRIDGE: No.

Mr. GARNEAU: And the husband of the lady he was living with has married—or was he married?

Mr. HERRIDGE: No. This veteran married a lady. She was informed her husband was killed in France. Later on in the first world war she married a veteran, a member of the same company. The marriage was in good faith and the veteran came to Canada, lived until two or three years ago and died without receiving the war veterans allowance. His widow then applied for war veterans allowance under that section, and unfortunately hears from her sister something to this effect: well, what do you think about it, old Bill has turned up! This is the first husband who was supposed to be dead in 1915.

Mr. GARNEAU: It is difficult for me to answer that, but I would be glad to take the name and regimental number so I can look at the case personally, in order to see in detail what is involved.

Mr. LALONDE: This is the case of a lady who married in good faith, went through her regular marriage ceremony and much later afterwards found out that she was not legally married.

Mr. HERRIDGE: About three years ago, shortly after her husband died.

Mr. LALONDE: There may be a way out.

Mr. GARNEAU: That is the reason I am asking for the particulars.

Mr. HERRIDGE: Everything was on the up and up, and the marriage was in good faith.

Mr. GARNEAU: There may be a way out. If you would let me have the name and regimental number, I will be glad to look into that case personally.

Mr. MONTGOMERY: Is the man living?

Mr. HERRIDGE: No, he died without applying for war veterans allowance. She applied and at that time she heard from her sister in England that he was alive. He was supposed to have been killed in 1914, but turned up.

The CHAIRMAN: Are there any further questions under item 456?

Item agreed to.

WAR VETERANS ALLOWANCES AND OTHER BENEFITS

457. War veterans allowance $59,785,000

Mr. FANE: I think my remarks would come in under item 457. I want to read part of this letter to you. This man says:

> I was wounded and awarded a 40 per cent pension, which was added to my war veterans allowance, making it an amount of $145 a month.

This is the amount he receives to keep his wife and himself. If his wife is sick, he pays out the $145 a month for her hospitalization. He says:

> Nothing would be too good for us at one time; now we are a forgotten group.

These are his words, not mine.

> I speak on behalf of all veterans and wonder if it was worth losing a good education, and so on, to work for when there is so much injustice towards us for no apparent reason. We were only doing our duty. The wife of a man going to prison receives more benefits than a veteran in this condition.

And this man says if he was to go to prison himself he would lose his war veterans allowance. I would like to leave that letter with you. I promised to bring it up in this committee.

The CHAIRMAN: What is your point here, Mr. Fane?

Mr. FANE: He would like to have the war veterans allowance increased beyond $145 a month.

Mr. GARNEAU: I would be very glad to prepare an answer to that, Mr. Fane.

The CHAIRMAN: You can discuss the case directly.

Mr. GARNEAU: It is more a private affair.

Mr. FANE: Do you want me to write a letter to you?

Mr. GARNEAU: If you would like to give me the correspondence, I will return all the documents to you.

Mr. FANE: I will give you my letter.

Mr. LENNARD: Mr. Chairman, I do not think the matter of bringing up individual cases in this committee is in order. It did not used to be years ago. These cases are supposed to be taken up with the department and if you do not receive justice from the department, then you can bring them up here.

The CHAIRMAN: It is not quite in order here. That is why I asked Mr. Fane what point he was emphasizing in this discussion.

Mr. HERRIDGE: Mr. Chairman, unfortunately I find myself in the position of having to support Mr. Lennard, with this exception: you bring up an individual case to illustrate the necessity for an amendment. I have done that,—and I am always in order.

The CHAIRMAN: Gentlemen, I think perhaps this is the point where we might clarify this situation. Obviously, we cannot spend time considering individual cases. That is the responsibility of the branch of the department concerned. However, if a specific point arises which contains some material that could be used for illustrative purposes, I thing the Chair would consider that.

Mr. FANE: You discussed individual cases for Mr. Herridge and other people; why not for me?

The CHAIRMAN: We will always consider information of this kind, Mr. Fane, if it underscores a specific point at issue.

Mr. MACDONALD (*Kings*): I was going to suggest, Mr. Chairman, that we have not time to go into a lot of individual cases. We only have time to discuss the broad general principles of the estimates, and the legislation.

Mr. WEICHEL: I believe that in some cases where we are referring to something and one of the gentlemen at the head table brings that up and explains it, it is something worth while. It gives us a little extra education in regard to veterans affairs. I think that type of discussion would be worth while. Instead of our asking questions, if somebody brings up a certain point he could probably refer to some veteran's case and that would help us to understand it.

The CHAIRMAN: I do not quite get your point there. Are you arguing for consideration of individual cases?

Mr. WEICHEL: I thought we might ask a question on some point and perhaps somebody could refer to an individual case to explain it.

The CHAIRMAN: You want officials to refer to cases?

Mr. WEICHEL: That is right; and we are learning something by listening to them.

The CHAIRMAN: I think that has been the procedure in the past.

Mr. MACRAE: Mr. Chairman, which item are we on—457 or 458?

The CHAIRMAN: 457.

Mr. MACRAE: I want to ask a question on 458.

The CHAIRMAN: Is item 457 carried?

Item 457 agreed to.

SOLDIER SETTLEMENT AND VETERANS' LAND ACT

458. Assistance Fund (War Veterans Allowances) $2,550,000

The CHAIRMAN: Item 458 is the assistance fund in connection with war veterans allowances. The details are on page 562.

Mr. MACRAE: I wish to ask the research staff or colonel Garneau how many cases there are of receiving money from the assistance fund? The assistance fund is, as we know, additional assistance to war veterans allowance recipients or dependents. I would also ask what proportion this is of the total war veterans allowance recipients cases. Did I make that clear?

Mr. PARLIAMENT: The total assisted to December 31, 1958, was 12,798. The total recipients of W.V.A. as of that date were 64,125. The total assisted, as a percentage of W.V.A. recipients, was 20 per cent; but the total assisted, as a percentage of W.V.A. recipients without other income—who are the only people who would be eligible for the assistance fund—is 47.6 per cent.

Mr. MACRAE: Did you know I was going to ask that question? You had it all right there.

Mr. PARLIAMENT: That is right. I expected the question.

The CHAIRMAN: Is item 458 carried?

Item 458 agreed to.

The CHAIRMAN: Now, gentlemen, that completes the War Veterans' Allowance Board and the relative subjects. We will proceed now to item 460, payments to the last post fund.

MISCELLANEOUS PAYMENTS

460. Payments to the Last Post Fund; the payment under regulations of funeral and cemetery charges, including the perpetual care of graves where applicable; the cost and erection of headstones in Canada; the maintenance of departmental cemeteries; the maintenance of Canadian Battlefields Memorials in France and Belgium; Canada's share of the expenditures of the Imperial War Graves Commission; and production of Books of Remembrance $1,527,800

The CHAIRMAN: The official with all the information is not in the room at the moment. He will be here shortly. In view of that, perhaps we can leave item 460 for the moment and proceed to item 461.

MICELLANEOUS PAYMENTS

461. Grant to Army Benevolent Fund ..... $ 9,000

Are there any questions?

Mr. HERRIDGE: What is the exact purpose of that grant?

Mr. LALONDE: It is to help the fund in carrying its share of administration costs. The Army Benevolent Fund was set up by an act of parliament which decreed that it should project its expenditures in such a way that the fund would be available to World War II veterans of the army for a period of 50 years.

There was a certain amount of money put in the fund at that time, and the act provided the Army Benevolent Fund Board with authority to use some of that money to pay the cost of their administration.

On the basis of the mandate received from parliament, the board set up a schedule of expenditure designed to carry the cost of administration and at the same time to make the fund last for the prescribed period of 50 years. This was in 1947. Since then the board has tried to conform in their yearly expenditure to the demands made on it by veterans who are in need of help, and also on the basis of the money available. They are spending a certain amount of the capital each year, plus the interest which is, of course, credited to the fund.

I think it was in 1953 or 1954 that the board came to the minister and said, "When we scheduled our expenses, both for welfare and administrative purposes, we scheduled them on the basis of the value of the dollar at the time you gave us this amount of money. Now, 6 years later, we find that the value of the dollar has decreased so much that we are not able to continue to pay the high administrative costs that we have to pay and still maintain the actuarial mandate to make the fund last 50 years."

The minister felt that the board could not cope with the increase in the administrative cost, and yet he felt that it would not be fair to ask them to cut down on the provincial set-up which they were using. In any event, the minister did not have the authority to tell the board to do that because it is in the act that they will have provincial offices. Therefore, the minister agreed to go to the treasury board and seek authority for a grant to be made to the Army Benevolent Fund Board for the purposes of helping them out in meeting the increased cost of their administration. At that time the board approved a grant of $8,000. A similar amount has been granted them each year since then.

Mr. ORMISTON: There is an annual accounting given to you.

Mr. LALONDE: There is an annual accounting given to parliament.

Mr. MACDONALD (*Kings*): The Army Benevolent Fund differs from those of the other two forces in that it revolves to the end of the war and the others are still revolving funds? It may be a mistake; but do you know why this fund was not set up in the same way as the navy fund?

Mr. LALONDE: The Army Benevolent Fund was set up immediately after the war. I would say it was planned even before the end of the war, because after VE day I recall we were told that unit funds which were not spent at that time would be turned over to headquarters. These unit funds, plus a share of the NAAFI profits—which were paid to the Canadian government—were lumped together to form the army benevolent fund.

I do not know why the army never became involved in a benevolent fund in the same way that the navy and the air force did. Perhaps the reason is because the army was so much bigger during the last war than the other two services and they could not have the same type of fund provided at that time. I know regular forces of the navy and the air force are still providing funds to those two benevolent funds through the regular service personnel canteens.

Mr. MACDONALD (*Kings*): I think it was a mistake that the army did not follow the same system.

Mr. LALONDE: For the members of the regular force the army now has a Canadian army welfare program administered by the Army Benevolent Fund. They supply their own funds, and those funds are to be used only for severing personnel.

In the long-run you might say the end result is about the same, except that in the case of the navy and air force they lump everything together and in the case of the army they have one fund for ex-servicemen and one fund for serving personnel.

Mr. MACDONALD (*Kings*): I am glad to hear that.

Mr. MACRAE: I think it is the same in the final analysis, as the deputy minister said.

Might I ask how much is in the army benevolent fund? Perhaps we should ask this question of the board itself, but maybe the deputy minister could tell us. It started at about $7 million in 1946, and I was wondering where it stands today.

Mr. MACE: At March 31, 1958, there was an amount of $7,517,395.

Mr. MACRAE: Then it has just about been the same for the last 13 or 14 years?

Mr. MONTGOMERY: I want to ask one question with regard to administration. Do I understand this correctly, that the benevolent fund has to keep up the provincial offices in each district?

Mr. LALONDE: In each province.

Mr. MONTGOMERY: In each province?

Mr. LALONDE: That is right.

Mr. MONTGOMERY: Do they work in conjunction with the officials of the Department of Veterans Affairs?

Mr. LALONDE: They do, sir. Each province has a committee of ex-servicemen who serve on the committee on a benevolent basis to look after the cases for that province.

In addition they have a permanent secretary for each province, a paid employee, and that permanent secretary always has his office in one of our offices. So that they really work very closely with us.

Mr. MONTGOMERY: There is really only one paid officer? Take New Brunswick, for example, being a small province.

Mr. LALONDE: There is a secretary and a stenographer. If there is not enough work for a full-time stenographer, we land them a stenographer part-time.

Mr. MONTGOMERY: Thank you very much.

The CHAIRMAN: Is item 461 carried?

Item 461 agreed to.

MISCELLANEOUS PAYMENTS

462. Grant to Canadian Legion ..... $ 9,000

Mr. WEBSTER: Is this something along the same lines? What is "Grant to Canadian Legion"?

Mr. HERRIDGE: There is no allowance for inflation here.

Mr. LALONDE: This dates back to 1930, when the Canadian Legion set up its own service bureau in Ottawa and eventually followed with the formation of service bureaux in their provincial commands, and even in some branches. But the activities of all those local service bureaux are coordinated by the dominion command service bureau. When these local service bureaux were formed, the Canadian Legion approached the government and said that this was going to cost a good deal of money to administer. The government agreed to pay a share of the cost of the service bureaux, provided the share paid by the government would never be less than the amount paid by the Legion itself, for the service bureaux alone.

In other words, if the administration of the service bureau were to cost $15,000 a year, then the contribution would have been brought down to no more than $7,500. Each year there is an accounting by the Legion of their service bureau costs, and their share of the expenses has never been less than $9,000. As a matter of fact, it is now costing them a lot more than that.

Mr. WEICHEL: Would $9,000 be pretty well the donation each year?

Mr. LALONDE: It has been an annual grant.

Mr. WEICHEL: It is an annual grant of $9,000?

Mr. LALONDE: That is right.

Item 462 agreed to.

The CHAIRMAN: We can revert to item 460, "Payments to the Last Post Fund". The details are on page 562. Are there any questions?

Mr. LALONDE: May I introduce Mr. Bonnar, the assistant secretary.

The CHAIRMAN: Pardon my oversight, Mr. Bonnar; we are getting along here so rapidly. We will proceed with the questioning.

Mr. HERRIDGE: I would like to ask Mr. Bonnar if there have been any complaints from provincial commands or Legion branches during the past year with respect to the administration of the last post fund. I refer to complaints regarding delayed payment or misunderstandings as to eligibility, and that sort of thing.

Mr. R. BONNAR (*Assistant Departmental Secretary*): Not to my knowledge, Mr. Herridge. There have been no complaints from any branches of the Canadian Legion or from the dominion headquarters of the Canadian Legion.

Mr. WEICHEL: Regarding funeral expenses, is that a maximum of $300?

Mr. BONNAR: The department is permitted under the Veterans Burial Regulations to pay up to $175 for funeral costs or, if two undertakers are involved, a maximum of $225.

In addition it can pay whatever is the going rate for cemetery charges, including the purchase of the grave, and the opening and closing of the grave. Under a separate item in this vote the department can, in certain circumstances, provide a grave marker.

Mr. WEBSTER: Possibly I am not correct, but my understanding is that the Last Post Fund of Montreal puts on a campaign of their own every year. Is that over and above this $306,000 here?

Mr. BONNAR: No. The Last Post Fund is a separate organization operating under a charter.

Mr. WEBSTER: A provincial charter?

Mr. BONNAR: No, a federal charter under the Companies Act for the purpose of avoiding pauper burial of indigent veterans. The department can also pay the burial expenses of veterans who die on treatment strength or who die from disability which is related to service.

Mr. LALONDE: Under their charter the Last Post Fund has authority to conduct drives for donations from the public. As a matter of fact, this is how they originally started and they had more money from public contributions at the outset than they had from the government contribution. But, while they are still getting some public contributions, I think the amount has gone down a great deal.

Mr. WEBSTER: I think it just pays the office expenses and the secretary's salary.

Mr. HERRIDGE: What is this item, "Books of Remembrance" under the fund?

Mr. LALONDE: Perhaps I can explain that. Two years ago the minister announced in the house that books of remembrance for the Korean action and for the South African war would be prepared and would be available to be placed at the appropriate time at the National Memorial. I believe that was mentioned in the house two or three years ago. We have been working on those two books through our contracting artist, Mr. Allan Beddoe, and progress has been good. We anticipate that the books will be ready some time in the fall unless something unforeseen happens. But, very definitely, the books will be completed within a year.

The South African book of remembrance also includes the names of the people who were killed in the Nile expedition.

Mr. MACDONALD (*Kings*): I wonder if we could have a brief explanation of the expenditure under, "Battlefields Memorials"?

Mr. MACE: After World War I there was a battlefield memorial commission formed, and as a result of its recommendation, it was decided to erect battlefield memorials in certain locations where the action had been essentially Canadian in character. As a result there were a number of battlefield memorials erected at different sites in France and Belgium. Subsequent to that the national Canadian memorial was erected at Vimy, and as around 1949 the battlefields memorials commission had virtually worked itself out of existence the Department of National Defence transferred the responsibility for these memorials to the Department of Veterans Affairs.

Since that time we have provided in the estimates for the cost of maintaining the Canadian battlefield memorials in France and Belgium. We actually staff and pay the direct costs relative to the memorials at Vimy and at Beaumont-Hanel which is, as you may recall, the Newfoundland memorial.

The other memorials that are at different places, like Passchendaele, Hill 62, and so on, are maintained for us by the Imperial War Graves Commission and we merely reimburse them their actual costs.

Mr. O'LEARY: Perhaps my question was answered there, as to the decreasing expenses included in the next item, "Maintenance of Departmental Cemeteries".

Mr. MACE: My recollection is that we provided in the 1958-59 estimates for quite a major repair project at Vimy. We had to replace some of the stone and we also waterproofed the memorial. I think this has been completed in this current fiscal year, so that next year we will not require that money.

Mr. HERRIDGE: I am interested, Mr. Chairman, in this item to provide for payments to the Last Post Fund. Then we find an item under that. I understand the Last Post Fund is an entity in itself. The item under that is, Imperial War Graves Commission, $438,400. Is that money administered to the Last Post Fund? Why does it come under this heading?

The CHAIRMAN: This is the miscellaneous payments heading actually, Mr. Herridge.

Mr. LALONDE: This vote is headed "Last Post Fund" because it happens to be the first item in the miscellaneous items.

Mr. HERRIDGE: I am sorry; I have not got my estimates.

The CHAIRMAN: That is Last Post Fund, et cetera.

Mr. LALONDE: The payment to the Imperial War Graves Commission is Canada's share towards the maintenance of war cemeteries. Each commonwealth country contributes on a pro rata basis to the Imperial War Graves Commission for the cost of erecting the various memorials in the cemeteries and for maintaining them, and this amount of $438,000 is our share for next year.

The CHAIRMAN: Is there any further discussion under miscellaneous payments?

Mr. ROGERS: This is not miscellaneous payments; it is funeral fund. If a veteran dies in hospital, do they take all his assets and his money?

Mr. BONNAR: No. We have several sections of the Veterans Burial Regulations. First of all, we pay the funeral expenses without charge or claim on the estate if the veteran's death is considered to have been related to service.

Secondly, we pay the expenses without claim on the estate if he was receiving treatment for a pensionable disability.

In addition we have another group who are in hospital, not receiving treatment for pensionable disabilities, and we apply a means test in those cases. If the estate is sufficient to provide the funeral and burial expenses, we expect the estate will do so. But if the estate is insufficient, then the department pays the expenses.

Mr. ROGERS: I have had a few complaints on that situation, where the department was pretty mercenary. I had one case where the man had an old car and $50, and they took it all. He was a pensioner.

Mr. LALONDE: If a man has no dependants and the department does not use the estate for the payment of his funeral or last illness, the public custodian is going to get it.

Mr. HERRIDGE: It would be better for the department to get it, I think.

Mr. LALONDE: That is what we think, sir.

Mr. KENNEDY: I have run across at least one case where, due to the neglect of the next of kin in making a claim for burial within a certain length of time, the undertaker was not paid his charges and had no way of collecting them. At least, that was the understanding I got from him.

Mr. BONNAR: This would be a case where somebody other than the department arranged the funeral and burial?

Mr. KENNEDY: Yes.

Mr. MONTGOMERY: Where they die at home.

Mr. BONNAR: Where somebody other than the department arranged the funeral and burial there is a system for making application to the department for payment of the funeral expenses.

Mr. MACEWAN: Within 60 days.

Mr. BONNAR: Within 60 days of notice.

Mr. ROGERS: Just to pursue that particular case, the man owed $50 rent. His relatives had to pay that.

Mr. MACE: You said this gentleman was a pensioner, did you?

Mr. ROGERS: Yes.

Mr. MACE: Did he die on treatment strength?

Mr. ROGERS: I could not say. I do not think so.

Mr. LALONDE: If he died of his pensionable disability, whether he died on treatment strength or not—

Mr. MUTCH: I know better than to attempt to answer without the file in front of me; but if I understand your question, the deceased was a pensioner?

Mr. ROGERS: That is right.

Mr. MUTCH: And he owed money?

Mr. ROGERS: Well, he owed some rent.

Mr. MUTCH: Pensions are paid in arrears, so if he died after the first of the month there was something coming. At the present time, if he dies and leaves dependants the whole of the pension for the month in which he dies is payable. If he has no dependants, it is payable up to the date of death and the commission would be called upon to make a decision as to what should be done with the unpaid portion of that last month's pension, and I think it would be unusual if any creditor under those circumstances did not register the claim before those funds were disposed of. The commission, acting on behalf of the deceased, does for him that which he was obligated to do in his lifetime. If there was sufficient money they would pay that debt from the unpaid balance; and if there was not, they would apply it to go as far as they could toward discharging that debt.

That happens in every case. A decision of that nature has to be taken in every case where a pensioner dies. If he had dependants, then under the commission's policy the unpaid balance would go either to somebody upon whom he was dependent or someone who was dependent upon him. The first charge against it would be to those dependants. But very often we pay the unpaid portion of the last month's pension, or any other credit that is available with us, to discharge his personal debts.

Mr. ROGERS: He has no dependants. The only mistake he made was that he did not think he was going to die. He should have left the money, the $50 or $60 at home.

Mr. BONNAR: Did he have funeral debts as well?

Mr. ROGERS: The department buried him. They looked after him.

Mr. KENNEDY: To pursue, Mr. Chairman, what I mentioned previously, where it can be reasonably shown that the responsibility was not really the undertaker's, but negleet on the part of the next-of-kin to make application for this, is there no way it could be extended so the undertaker would not have to bear the cost of this funeral?

Mr. BONNAR: I have not known of any such case, sir. We would be glad to examine any cases, if you would identify them. Have you one in mind?

Mr. KENNEDY: I have not at the moment, but certainly I can dig one up.

Mr. LALONDE: Before we leave that impression on the record, I would appreciate it if you could give me the name of the case to which you are referring in order that we may look into it. It is hard to generalize on the basis of one case.

Mr. ROGERS: I was asking just for general information and I have obtained it. I happened to use that case because it is one I know of and it happened about three months ago.

Mr. LALONDE: I am pretty certain that the solicitors who deal with the assets in all cases ascertain first whether there are just debts incurred prior to admission to hospital, for instance, and that is why I would like to find out what happened in that particular case.

Item agreed to.

The CHAIRMAN: That brings us up to the Canadian Pension Commission, gentlemen, and perhaps it would be your wish to delay commencement of discussion on this subject until our next sitting. It is one of the major branches in the department.

Agreed.

The CHAIRMAN: Gentlemen, our procedure for Monday, as arranged by the steering committee, is to hear further representations. We have a request from the Sir Arthur Pearson association of war blinded, and the Firefighters. The Firefighters have not confirmed their appointment. I had hoped to receive it before our meeting this morning; but they have requested an appearance, and I presume they will be before us on Monday morning at 11 o'clock. Is that agreed?

Agreed.

The CHAIRMAN: Next Thursday at 11 o'clock we will resume the discussion of the estimates, with the pension commission before us.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

MAR 24 1959

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

Estimates 1959-60 of the Department of Veterans Affairs

MONDAY, MARCH 16, 1959

WITNESSES:

Mr. W. C. Dies, Captain Fred Woodcock, Judge Frank McDonagh, of the Sir Arthur Pearson Association of War Blinded; Mr. Mace, Mr. Black, Mr. Garneau, Dr. Crawford, Department of Veterans Affairs; Mr. Mutch, Canadian Pension Commission.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

20837-1—1

STANDING COMMITTEE ON VETERANS AFFAIRS

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

and Messrs.

Badanai	Herridge	Peters
Batten	Jung	Pugh
Beech	Kennedy	Roberge
Benidickson	Lennard	Robinson
Broome	Macdonald (*Kings*)	Rogers
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

House of Commons, Room 112-N.
MONDAY, March 16th, 1959.

The Standing Committee on Veterans Affairs met at 11:00 o'clock a.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Badanai, Beech, Broome, Carter, Clancy, Dinsdale, Fane, Herridge, Jung, Kennedy, Lennard, Macdonald (*Kings*), MacEwan, MacRae, Matthews, McIntosh, McWilliam, Montgomery, O'Leary, Ormiston, Parizeau, Pugh, Robinson, Speakman, Stearns, Stewart, Thomas.

In attendance: From the Department of Veterans Affairs: Mr. F. T. Mace, Assistant Deputy Minister; L. A. Mutch, Acting Chairman, Canadian Pension Commission, with Mr. K. M. Macdonald, Secretary; Mr. F. J. G. Garneau, Chairman, War Veterans Allowance Board; Dr. John N. Crawford, Director-General, Treatment Services; Mr. G. H. Parliament, Director General, Veterans Welfare Services; Mr. C. F. Black, Secretary of the Department; Mr. J. G. Bowland, Research Adviser; Mr. G. S. Way, Chief of Information.

From the Sir Arthur Pearson Association of War Blinded: Mr. W. C. Dies, President; Johnny Doucet, First Vice-President; Captain Fred Woodcock, Secretary; Mr. William Mane, Immediate Past President; Mr. Dave Ferguson, Treasurer; Mr. Chris Davino, Member of Executive; Mr. George Wilson, Hamilton, Ontario; Mr. Steve Johnson, representative of the Province of Quebec; Mr. Gerry Barrett, Ottawa, and Judge Frank McDonagh, Honorary Member.

The Chairman informed the Committee that the Corps of Canadian (Overseas) Fire Fighters had informed him that it was impossible for them to appear today and requested that a later date be set for their presentation.

At the Chairman's invitation, Mr. W. C. Dies, President, of the Sir Arthur Pearson Association of War Blinded, introduced the delegation.

Judge Frank McDonagh read the brief on behalf of the delegation and Mr. Dies added a few words.

Questions were asked in relation to the brief from Judge McDonagh, Mr. Dies and Mr. Woodcock.

Members of the Committee also questioned Mr. Mace, Mr. Mutch, Mr. Black, Mr. Garneau and Dr. Crawford on various aspects of the brief.

At the conclusion of the presentation the Chairman thanked Mr. Dies and his associates for their valuable contribution. In turn, Mr. Dies thanked the Committee for its consideration.

At 1:25 o'clock p.m. the Committee adjourned to the call of the Chair.

Antoine Chassé,
Clerk of the Committee.

20837-1—1½

EVIDENCE

MONDAY, March 16, 1959.
11 a.m.

The CHAIRMAN: Gentlemen, we have a quorum. There are one or two preliminary matters that must be attended to before we commence the formal business this morning.

Mr. Leslie MUTCH (*Acting Chairman of the Canadian Pension Commission*): At page 64 of committee report No. 3, Thursday, March 5, 1959, in line 26, I am quoted as saying:

connected with his war service as such.

This should read:

connected with his regular force service as such.

The CHAIRMAN: Mr. Stearns, have you a correction?

Mr. STEARNS: Yes, in the third line on page 117 in the proceedings of March 9, I am quoted as saying:

Whereas the air force went there because they were sent there.

It should read:

Whereas the armed forces went there because they were sent there.

The CHAIRMAN: We have a very distinguished group visiting us this morning. I believe I announced at our last sitting that we expected to have two presentations this morning, one from the firefighters, as well as one from the Sir Arthur Pearson Association of War Blinded.

I have received a telegram from Mr. Magill, the secretary-treasurer of the Canadian Corps of Firefighters to the effect they are unable to be here this morning, and are requesting an appearance at a later date. We will have to consider this matter in the steering committee.

We do have with us this morning a good delegation from the Sir Arthur Pearson Association of War Blinded. They are headed by their president, Mr. Dies. Although I am acquainted with some of the members in this delegation, I think it would be better, Mr. Dies, if you proceeded with the introductions.

I would also like to say that I received a telephone call from the minister, the Hon. Alfred Brooks, just before coming to this meeting. He had hoped to be here, but other duties namely, a cabinet meeting, called him away. He expressed his regrets for not being able to be with us this morning.

We are very sorry that Colonel Eddie Baker is not with us this morning. Perhaps, Mr. Dies, you could convey our greetings to him and give us a report on the progress he is making.

It now gives me great pleasure, Mr. Dies, to call upon you to give your presentation.

Mr. W. C. DIES (*President, Sir Arthur Pearson Association of War Blinded*): Mr. Chairman and gentlemen, it is with some regret we appear before you today without our friend, Colonel "Eddie" Baker, whom I am sure most of you know. He has had a rather bad time of it since last July. However, he is improving and attending the office about fifty per cent of the time. We tried to inveigle him into coming down with us today, but he could not do so. Mr. Chairman, I will convey your kind wishes to him.

I am sorry the minister was not able to be with us today, but he will likely hear all about our visit.

Gentlemen, we have a full delegation here this morning. I hope my memory serves me well, as I do not wish to spoil our presentation. First, we have our immediate past president, "Bill" Main. "Bill" came from Manitoba, but we do not hold that against him.

The CHAIRMAN: I would say that is to his advantage.

Mr. DIES: He was a Hong Konger. And then we have John Doucet; he is maritimer and our first vice president. We then have our secretary, Captain Fred Woodcock, who comes from Hamilton. "Dave" Ferguson, who is really a maritimer and came up this way, is our treasurer. He is located in Hamilton at the present time. "Chris" Davino, a member of our executive, informed me just before we came in this morning that he enlisted at Collins Bay. Then we have George Wilson, who is also from Hamilton. There is also "Jerry" Barrett from Ottawa; and another chap, Steve Johnson from Montreal. Finally, of course, we have His Honour Judge "Frank" McDonagh, who is one of our honorary members. "Frank" is going to read the brief for us today.

Judge "Frank" MCDONAGH: Mr. Chairman and gentlemen: may we take this opportunity to express our appreciation for amendments to the Pension Act which have benefited Canada's war disabled and their dependents, and trust that this presentation will produce a greater understanding of the problems of this group, and in particular the problems of those who gave their sight at a time when their country was in urgent need of their services.

As a group we feel that so many phases of legislation are interrelated in their total effect on the lives of the war blinded and their dependents, and would ask this fact be kept in mind when considering our submission.

At the annual meeting of The Sir Arthur Pearson Association of War Blinded held February 14, 1959, the members assembled were most emphatic in the expressed opinion that blindness has been vastly underrated as a disability, a fact which was partly due to the blind veterans themselves, in that the abilities and accomplishments of the war blinded had to be overemphasized in order to retain their former sighted positions in a social structure based entirely on the ability to see.

We respectfully reserve the privilege of eliciting the further support of the national council of veteran associations in Canada, which in itself embodies the major disability groups, and through the national council again, if need be, present the resolutions contained in this brief. These resolutions directly affect the war blinded, and the serious implications involved prompted our request for a separate hearing.

Dual Pension for Widow of Totally Disabled Pensioner

This resolution was actually conceived during visits to widows in their homes following the death of young totally blind veterans of World War II and is an attempt to accurately portray and remedy the urgent desperation of such conditions.

We are most grateful that since first submitting this resolution the Pension Act was amended to at least continue the full amount of pension until the end of the month in which the pensioner dies but it does not in any way benefit the widow whose husband dies at the end of the month.

In the case of a totally blind married veteran, the income of $300 per month is, the day following an end-of-the-month death of the veteran husband, suddenly reduced to $115. In other words, a sudden decrease in income of $2,220 per year.

The widow, during a crucial and emotional upset period, finds herself suddenly thrust into a financial crisis, which seems to have no solution and is at once compelled to make financial decisions detrimental, even disastrous to her interests, committed as she is to purchase of a home or rental contract, purchase of commodities and necessities, with no opportunity to create a bank account and often, through the nature of the disability or multiple disabilities in excess of 100 per cent, the pensioner was unable to provide protection through life insurance. These items, plus excessive funeral costs, create a situation of destitution at a period when she needs financial assistance and time to render logical decisions pertaining to her complete adjustment and rehabilitation economically and otherwise. The desperate situation is intensified when young dependent children are involved.

Whereas the survivor of a married couple on war veterans allowance with $2000 in the bank, may own a home in which their equity is $8000, experiences no disruption of their established economy for a period of one year, because the War Veterans Allowance Act provides full payment of the allowance for one year following the death of either party.

Therefore we, the Sir Arthur Pearson Association of War Blinded, in annual assembly convened, petition the government through the Minister of Veterans Affairs, to enact legislation entitling the widow of a 100 per cent pensioner to the full dual pension for a period of one year, following the death of her husband.

Continuance of Wife's Allowance

Closely allied with the resolution above is the urgent need to continue the wife's allowance in some form, following the death of the wife of a blind pensioner.

Create in your mind the picture of the blinded serviceman of either World Wars I or II, who, returning home takes unto himself a wife and begins that never-ending struggle of a sightless life or existence in a sighted world. Picture the thousands upon thousands of tasks dependent upon sight which the wife must perform for her blind husband. To mention a few, these aids through sight range from the choosing of clothing as to colour, the inspection of clothing and dwelling, to ensure cleanliness and comfort, the countless hours of oral reading from newspapers, magazines and books, the verbal descriptions of countless physical objects, all of which are necessary for the blinded veteran to assume an active, interested and useful position in society. Picture then, the complete, the total and absolute dependence of the blind veteran upon the eyes of his wife, the eyes which have become his visual contact with the whole world.

Think now of the blind veteran who, by the death of his wife, suffers not only a great emotional loss, but also must suffer for the second time in his life, the lost of sight, which although not his own, had become indeed his principal substitute.

Think now of this blind veteran's future. Shall he give up this home which his wife and he had so well established, and go to live in an institution for the aged or the blind? This is a poor substitute for the home which had been created in spite of the handicap of blindness. Shall he give up the home and live with a daughter or a son—if they will have him? Shall he, at great expense, secure the services of a housekeeper and endeavour to maintain the home for his remaining years with greater expense than before (possibly $150 a month) on an income reduced by the amount of his deceased wife's allowance?

Whereas the war blinded recognized the absolute necessity of sighted assistance at all times, and that the need for sighted assistance does not cease

to exist upon the death of a blind veteran's wife, and that the cost of procuring hired sighted assistance, such as a housekeeper, is far in excess of the allowance provided for the wife of a totally disabled veteran; the members of the Sir Arthur Pearson Association of War Blinded in national assembly convened, do petition the government of Canada, through the Minister of Veterans Affairs, to enact such changes in the Pension Act to provide the continuance of payment to the blinded pensioner after the death of his wife, the allowance known as the wife's allowance, which he received prior to the death of his wife, for the rest of his natural life.

Free Hospitalization for Non-Entitlement Conditions

While admitting that the new treatment regulations, which came into force July 1, 1954, are a step in the right direction and of greater benefit to our unemployed members it does not meet the need of the major disability group.

We, the war blinded, by actual experiences, know that it is impossible to prove disabilities and conditions consequential to our pensionable disabilities. As a major disability group we and our family doctors know there is direct connection between our pensionable disability and many other conditions that crop up from time to time, but there is no provision within the treatment regulations to provide us with free hospitalization and treatment for these conditions. For example, there are injuries incurred by falls due to lack of sight, nerve conditions pursuant to frustration and intense nervous strain to which the blind are subjected every waking hour of every day, and on too many occasions, the hours of the night as well. There is no day for the totally blind! The larger number of our group have service-connected multiple disabilities, some of which have no treatment entitlement because of lack of legal proof—the onus of proof being placed on the veteran while the records, if any, are held by the government.

The present treatment regulations are complicated and not known to all treatment staff, resulting in delay and in some instances, denial of treatment for a pensionable condition. On numerous occasions our war blinded have experienced lengthy sojourns in admitting offices, while a multiple number of seemingly irrelevant questions are asked, in order to determine entitlement to treatment. The new treatment regulations do not eliminate these conditions.

We, the Sir Arthur Pearson Association of War Blinded, in assembly at annual meeting, strongly recommend that in keeping with the understanding of the Canadian public, we the blind pensioners be given free hospitalization and treatment in Department of Veterans Affairs hospitals for all conditions, as a matter of right.

War Veterans Allowance

Recommendation No. 10—that item 4 under schedule A and item 4 under schedule B of the War Veterans Allowance Act be amended to read: "Blind war veterans allowance recipient, or married veteran with a blind spouse."

This resolution seeks to compensate the acknowledged added cost with respect to blindness, for blind war veterans allowance recipient, on the same basis as war veterans allowance recipient with blind spouse.

Helplessness Allowance

Once again referring to the preamble wherein it states we feel the disability of blindness has been underrated. No spoken or written words of ours could instil in the mind of a sighted person the full appreciation of the absolute need

of the totally blind to use someone elses eyes during almost all phases of everyday activities—a service which is a very costly one to the blind, especially when the sighted service is hired in order to accomplish what a sighted person accomplishes without need to hire.

In the earlier years an award of helplessness allowance was provided for the war blinded by the government of Canada and subsequently the war blinded agreed that those veterans who were on war veterans allowance, and had suffered blindness not in any way connected with war service, should receive consideration in the form of a modified helplessness allowance, which was granted.

Whereas more recently, without consultation with the war blinded, those on war veterans allowance whose blindness is not due to service, have been granted the same rate of helplessness allowance as those whose loss of sight was due to wounds on service. The war blinded, while not wishing to deprive the non-war blinded of the fruits of the generous impulse which has changed the policy, feel very strongly that the new modified rate accorded to war veterans allowance cases, definitely raises the question of an adjustment in the rates applicable to the war blinded.

Whereas this new policy completely eradicates the fundamental principle of a differential between blindness incurred on service and subject to compensation, and blindness not in any way related to service.

Therefore be it resolved that we, the members of the Sir Arthur Pearson Association of War Blinded request that the rate of helplessness allowance in respect to blindness for the war blinded, be increased from $1200 to $1800 per annum, being fully justified on the ground of present day excessive costs.

Mr. Chairman and gentlemen, you might be interested in these figures: There are 384 Canadian war blinded veterans in Canada and other countries —149 World War I and 235 World War II—only 178 of whom receive the maximum helplessness allowance for blindness. There are 190 considered employable war blinded—182 employed or augmenting pension, of whom 58 are employed by the Canadian National Institute for the Blind.

Basic Rate of Pension

We will be submitting our recommendation for a substantial increase in the basic rate of war disability compensation that is pension, through the national council of veteran associations in Canada. We would point out that since 1925 the percentage increase in the basic rate is only 100 per cent whereas the percentage rate of increase in regard to war veterans allowance for a lesser period of time shows a percentage increase of 350 per cent.

Conclusion

In conclusion we express our appreciation for the opportunity to present the views of the Sir Arthur Pearson Association of War Blinded on matters pertinent to their welfare and trust the government is able, through the standing committee's recommendation, to grant by legislation the requests we have made.

The CHAIRMAN: Thank you, Mr. McDonagh for that presentation. To ensure orderly discussion I think it would be best if we considered the presentation topic by topic. I understand that Mr. Dies wishes to supplement the presentation.

Mr. DIES: Thank you, sir. I rise because, as you look at me and look at the rest of the members gathered together with us, I am the senior member. Any help that you can offer me now, I can assure you it is just about too late. I say that very kindly and very sincerely and very honestly, because I happen

to be one of those, who for 42 years has gone around in the dark amidst frustration after frustration, and it was only because of pre-war, post-war friends and associations and a great deal of intestinal fortitude—with a big "G"—that I have survived to this date.

I just lay this before you because blindness has been held—I was going to say "cheap". That is not the word, but you know what I mean. I do not want these young fellows to struggle along the way some of us have had to struggle along, and I think it is only fair, as we come before you, that you should think in terms of these young lads. They know not where they go—I can assure you of that.

Just remember also that the cheque that the government mails each month to these ex-servicemen who are blind, that is the basis of their todays and that is the basis of their tomorrows. You can never give them enough money, be sure of that. Be sure also—and I have said this before during this committee—that as far as I am personally concerned money could not pay me for what I lost. I want you to understand that, gentlemen. There is not enough money in the country. But I do think the time has arrived when you should put your best foot forward and do your utmost to make this group of blinded ex-servicemen, who are blind because they were healthy—I am quite sure I would not have been where I was on February 13, 1917, at Vimy, in the middle of the night, had I not been a 100-per cent-fit man. Just remember that when you are dealing this out. Do not think of them as blinded ex-servicemen; make them a preferred class. I am appealing to you, gentlemen, as a man who has lived in Canada all his life, coming from stock away back. I started out in life early and I know what I am talking about, because I had my eyesight until I was established in business prior to enlistment. I just send that appeal out to you, gentlemen, and ask you to think it over before you act one way or the other. Make them a preferred class if you possibly can.

The CHAIRMAN: Thank you, Mr. Dies. Perhaps I should ask if there are any other general comments before we proceed to deal with the topics in the brief? If not, the first subject raised in the brief is that of dual pension for widow of totally disabled pensioner, found on page 2. Have we any questions?

Mr. HERRIDGE: Mr. Chairman, I would like to ask the witness a question. I presume this brief is founded on representations you have had from individuals or your knowledge of these conditions affecting the widows of war blinded in various sections of Canada.

Mr. MCDONAGH: I think Captain Woodcock is in a better position to answer that question because he has experience of visits to widows after the death of war blinded veterans. That is the particular work that Captain Woodcock undertakes.

Captain F. J. L. WOODCOCK (*Secretary, the Sir Arthur Pearson Association of War Blinded*): If you wish, gentlemen, I can give you regimental numbers and names; but I would prefer not to do so—I would prefer not to embarrass the widow. But I can take you to the individual, right in Brantford.

The CHAIRMAN: As far as possible it is not necessary to mention specific cases.

Mr. HERRIDGE: Mr. Chairman, I have one other question. On occasions do you have the circumstances of widows brought to your attention by other persons, neighbours or persons to whom they are indebted, and they now find themselves in difficulties?

Mr. MCDONAGH: May I ask Captain Woodcock to answer that question?

Mr. WOODCOCK: Mr. Chairman, we do not hear them too often. I think the attitude of our widows has been much the same in the past as if they were blinded themselves—to try to make the best of things and accept their lot. All

too often we do not hear these things until it is too late,—to late to help them, in other words.

We, in the CNIB do help widows in many ways. But in this case we are singling out the widow of a war-blinded veteran, who is used to a certain income and whose whole economy is based on—as our president said—a cheque that arrives every month. It is a cheque on which we build our present and our future.

Mr. BEECH: Mr. Chairman, is there any special reason for mentioning the fact that the widow, under the war veterans allowances, is allowed to have an equity of $8,000 in their property? I wonder if there is any special reason for including that in the "whereas" there?

Mr. WOODCOCK: I would say, definitely there is. I think in our preamble we asked that you consider the whole picture. I do not think we can single out any one item. I think free hospitalization, the continuance of the wife's allowance to the widower, the continuance of the pension to our widows is all part and parcel of the picture, as we see it.

Also, we get the impression—and perhaps it is an onerous type of subject to discuss—of an interrelationship between war veterans allowances and the Canadian Pension Commission. Perhaps I personally am mistaken, but we always tend to avoid it because it would look as though we were envious, and I can assure you we are not.

We definitely respect blindness when it happens to anyone but we do see legislation carried out on one hand to alleviate distress and, we presume, to alleviate the necessity of a sudden decrease in income, when the widow needs that income most; and surely to goodness, if it can be done for the one on one hand, it can be done for the battle casualty, the front-line fighter, on the other. By "front-line fighter" I mean the man who got his disability in the front line. That is the only inference between these two.

Mr. MCDONAGH: There was one other point in the discussion in preparation of the brief, dealing particularly with blinded veterans of the second war, which is only some 14 years away. They have not yet been told to establish an equity of $8,000 in the house.

Mr. MONTGOMERY: Mr. Chairman, may I proceed just a little further in that regard? You are speaking, I suppose, of an average?

Mr. MCDONAGH: Of course. There are exceptions.

Mr. MONTGOMERY: Because I know of several who have.

Mr. MCDONAGH: There is no doubt that quite a number of veterans of the second world war have been able to fully establish themselves.

Mr. MONTGOMERY: Yes.

Mr. MCDONAGH: But how many of them are totally blind?

Mr. MONTGOMERY: That is what I was going to follow here. Does this number of three hundred something here include those? They are on full pension and disability rights, as I understand it, but they are not totally blind. Does that include this number?

Mr. MCDONAGH: Are you referring to page 10?

Mr. MONTGOMERY: Yes.

Mr. WOODCOCK: May I answer that question, Mr. Chairman? The 380 some odd for blinded veterans in this instance means those individuals with regard to whom the government accepts some responsibility for their blindness, in whole or in part.

In other words, we have a number in that 384 who are perhaps one-fifth aggravation cases only; the government has decided that their blindness

was aggravated on service. The condition was possibly present before the war, but aggravated on service one-fifth. Those people only receive one-fifth pension. They receive, possibly, the maximum helplessness allowance for blindness. It that a clear picture, gentlemen?

Mr. MONTGOMERY: Yes.

Mr. WOODCOCK: I think you must look at the figure of 190 some odd, I think it is, there who are receiving the maximum for blindness, and even that figure includes some of the one-fifth aggravation cases.

Mr. MCINTOSH: Mr. Chairman, may I ask one of the officials why the allowance continues for one year after the death, in the case of a war veterans allowances recipient, and not in a blind persons case? Is there some reason for that?

Mr. MCDONAGH: It is in the act, sir.

The CHAIRMAN: Perhaps Mr. Mace could answer that.

Mr. F. T. MACE (*Assistant Deputy Minister, Department of Veterans Affairs*): Mr. Chairman, the only answer I can give is that it is provided in the War Veterans Allowances Act, and there is no such provision in the Pension Act.

Mr. MCINTOSH: You mean, a delegation at some time appeared before the committee and asked for this and it was granted by parliament in the case of war veterans allowances recipients? Was there any reasoning behind it, any more than we are getting today from this delegation? Is there any reason why it should have been accepted from that delegation and not from this?

Mr. MACE: It is a question of policy.

Mr. MCINTOSH: I was wondering if you could remember anything that was brought up at that time?

Mr. MACE: Quite frankly, I am not aware of any particular set of circumstances which makes it appropriate in one case and not in the other. Frankly, I do not know.

Mr. MCINTOSH: Thank you.

Mr. MACE: It is really based, as I say, on the existing legislation.

Mr. HERRIDGE: Those making representations on behalf of war widows in receipt of war veterans allowances appeared before the committee some years ago. The argument placed before the committee for the continuation of the allowances for the period of a year was identical with the argument being placed before us today. That is, the need of a widow for assistance during the period of adjustment.

Mr. MCINTOSH: You say this is a case, then, of discrimination?

Mr. HERRIDGE: As to what was required, yes.

Mr. BROOME: In regard to the difficulties of blindness we are talking about 100 per cent blind categories?

The CHAIRMAN: I think Captain Woodcock explained that a moment ago.

Mr. BROOME: Captain Woodcock, a figure of 384 is mentioned here. Those pensioners are totally blind are they?

Mr. WOODCOCK: No. You have to go to the figure of 190 and whatever the odd amount is there, who are receiving the maximum help and allowances.

Mr. BROOME: It is 178.

Mr. WOODCOCK: In other words, 178 were receiving the maximum possible for blindness. I did not bring any figures to indicate how many of our blind between that figure and registration—which is seeing at 20 feet what a man

should see at 200 feet. Between that and total blindness there are a few awards, as of this last year or so, around $480, the odd man getting $960.

I might say that it took us about seven or eight years to get recognition of the various degrees of blindness. Prior to that you either coupled into the helplessness allowances class or you stayed entirely on the outside and you received nothing whatever. Our membership feels very strongly on this subject, that blindness creates a need for assistance. It is an entirely different disability to any other with which you have to deal, and I do not care if it is just a border line case. There are many times when even that individual has to use someone else's eyes and has to put up with a misunderstanding of the sighted world around him.

If you do not believe me, travel with one of our placement men and try and get a man in that category a job and see how many industries will not accept him. We are just as much in sympathy with that chap as we are with the others we are emphasizing today, the totally blind. But we admit that there is no comparison between some sight and total blindness, and no one can understand what it is to be totally blind. We do not hope that you will understand; you never will.

No, gentlemen; do not think in terms of this figure of 385 describing the entire group from the border line registrations right through to the totally blind.

The CHAIRMAN: I believe Mr. Mace has some further information on this subject. For the benefit of our visitors, I should perhaps explain that Mr. Mace is the assistant deputy minister of the department.

Mr. MACE: Mr. Chairman, I thought I might just clarify the thinking of some of the members of the committee if I placed on record the basis upon which the department has dealing with the Canadian National Institute for the Blind.

Under order in council P.C. 131/4861, dated September 14, 1951, as amended, the department is granted authority to enter into agreements with the Canadian National Institute for the Blind whereby the institute provides training and after-care services to veterans who have a disability of 80 per cent or over, due to defective vision, some part of which is pensionable. Such blind veterans must have been resident or domiciled in Canada at time of enlistment.

The CHAIRMAN: Have we some more question?

Mr. THOMAS: Mr. Chairman, could the officials tell us how many totally blind there are in this figure of 384?

Mr. BROOME: There are 178.

Mr. THOMAS: They are receiving the maximum helplessness allowances?

Mr. DIES: No, not to the maximum.

Mr. THOMAS: That is right; they are the ones who are totally blind.

The CHAIRMAN: I believe that is right. The 178 referred to in the brief represent the totally blind group.

Mr. MCDONAGH: It may be that Captain Woodcock did not hear the question. Apart from his blindness, which occurred at Dieppe, he has also lost the hearing in one ear altogether and 25 per cent of the hearing in the other ear, so he may not have heard your question.

The CHAIRMAN: Would you like that question repeated?

Mr. WOODCOCK: Perhaps I should put it in figures, and you may understand it a little better. There are 178 now receiving $1,200 for their blindness, which is at present considered the maximum for blindness.

The CHAIRMAN: That is helplessness allowances?

Mr. WOODCOCK: That is helplessness allowances, so-called by the Canadian Pension Commission. It is "attendance addition" in the act. There are in addition those who are not receiving $1,200 for blindness. They are receiving the maximum permissible allowance under the attendance allowances of $1,800, but they are chaps whose blindness was caused possibly by a pensionable condition and their sight is not down to the totally blind category. For instance, multiple sclerosis can and does create in its advanced stages lack of the ability to focus the eyes, and other eye disabilities. We get them on our registry when they reach that stage, when the ophthalmologist decides that their vision is less than 20/20.

Mr. MUTCH: Mr. Chairman, I would just like to reassure Captain Woodcock that the pension commission does not now refer to these allowances as "helplessness allowances", but always refers to them as "attendance allowances". There was a time when that expression was used, but I have not seen it recently except in the brief read this morning. In the commission we now refer to it exclusively as "attendance allowance".

Mr. MCDONAGH: Did you amend the table of disabilities?

Mr. MUTCH: Whether it has been taken out of the language of the table of disabilities, I cannot say. But in the commission's decisions I do know it is no longer referred to as "helplessness allowances".

Mr. MCINTOSH: Referring back to my original question, Mr. Chairman. The Captain has mentioned the sum of $1,200. I presume what the delegation is asking for here in the case of the maximum is $300 continuance for one year, whereas in the war veterans allowances the maximum is $120. Is that correct? Or is that wrong?

Mr. DIES: That is correct. I should like to clear a point here. Someone asked the question about the number who are getting attendance allowances. I should make it clear. I happen to be a multiple disability case. I would not have you think that all of those with multiple disabilities get $1,800. It is only in the cases referred to by Captain Woodcock, where they are more or less bedfast.

My disability is something that has been variously estimated as being from 250 to 300 per cent; but I do not get $1,800. The multiple disability cases do not get that, let alone those who are totally blind only.

Mr. MCINTOSH: Mr. Chairman, I do not think I received a complete answer to my question. Does this delegation wish the total pension that the recipient gets to continue for one year regardless of why it is awarded, or on what basis? Captain Woodcock mentioned $1,200 for a certain disability, plus others, that builds the pension up to a maximum of $300. Is that correct?

Mr. WOODCOCK: I caught half of your question, sir. I must apologize.

Mr. MCINTOSH: You mentioned $1,200 which you are receiving for part of your disability; is that correct?

Mr. WOODCOCK: That is the attendance allowances.

Mr. MCINTOSH: Is that the allowance you want to continue, or is it the total amount?

Mr. WOODCOCK: We want the total pension and wife's allowances. You can be generous and grant us both. I would be perfectly willing for the parliamentary committee to continue paying the attendance allowances to our widows of $100 per month, in addition to the $150 a month pension, in addition to the wife's allowance of $50. That would give her $250 a month in my language. But I think, gentlemen, our request is asking for the continuance of the pension and her allowance—in other words, $150 as it is presently constituted, plus her own allowance of $50. In other words, she would continue with $200. There would be a loss of income of $100 a month.

Mr. McINTOSH: That is the point I wanted to clear up.

Mr. BADANAI: Mr. Chairman, I should like to ask Captain Woodcock about the 178 who receive the full pension of $1,200 a year. Are they in receipt of any other income through their own efforts or from any other sources?

Mr. WOODCOCK: I am sorry but I have not got a breakdown of how many of that group are actually in the employed group.

Mr. BADANAI: Are there any?

Mr. WOODCOCK: Yes, there would be some, and we used the term "augmented income" in our brief. A totally blind man, with one arm, two shrapnel wounds in the left leg, runs a dance in the maritimes once or twice a week. Probably he makes from $10 to $20 but I do not know. That effort is augmenting his income.

Mr. PUGH: Is there any supplement for children over and above these figures that are quoted, and if so how much per child. Perhaps we could get that from the department.

Mr. MUTCH: The children of all pensioners are pensioned in accordance with the degree of disability which was accorded the veteran holding the pension. A maximum 100 per cent payment is $150 for the man, $50 for his wife, $20 for one child, $15 for a second child, and $12 for any more children.

When the pensioner dies, that amount is augmented immediately. Even though the mother is still living; that amount becomes doubled for each child.

Mr. HERRIDGE: Could Mr. Mutch inform the committee what was the average number of 100 per cent blinded pensioners who died, annually—or could we get some estimate of the cost in giving effect to this recommendation?

Mr. MUTCH: I am sorry, I do not have that information, but I could perhaps get it for you.

Mr. WOODCOCK: I do not know the actual figures. But the file of every veteran who becomes blind in Canada crosses my desk and is reviewed to see if he can get help under the present veterans legislation.

It might be of interest to this committee to realize that in the last year no less than six or seven have gone on our registry with a pension, whose blindness was a result of mustard gas in World War I. That is a startling statement to make, but it is true. However, as to your figures, I am sorry.

Mr. MUTCH: I can get them if the committee wants them, but I do not have them with me.

Mr. HERRIDGE: Thank you. I think they would be of interest.

Mr. MUTCH: I will be glad to bring them for the next meeting.

Mr. STEARNS: In connection with your page three, suppose a person had an income of $300 a month, and suppose it should continue for a year after the death of the husband, would that open up in the veterans department other categories who might ask for similar treatment they are not receiving today?

Mr. MUTCH: Undoubtedly. Whenever you make a concession—and this is not an argument against it; there is evidence in this brief itself—that when a further concession is made to one group, then inevitably others will seek it. That is not a matter of administration; it is a matter of human nature.

Mr. STEARNS: Turning to page four, the first paragraph, does the War Veterans Allowance Act provide full payment of allowance for one year following the death of either party? I wonder why this $300 a month should be cut off on one day's notice instead of its being applied for one year after the death of the blinded person.

Mr. MUTCH: Part of the reduction is due to the fact that the attendance allowance ceases on death; the widow goes on pension the day following death.

Mr. STEARNS: Thank you.

The CHAIRMAN: Is there anything further?

Mr. CLANCY: I wonder if Mr. Mutch could tell us what the widows allowance is. You said that the widow goes on the widows allowance.

Mr. MUTCH: I should have said the widows pension.

Mr. CLANCY: And what is it?

Mr. MUTCH: $115 a month.

Mr. CLANCY: All these people are asking is that she get $85 a month for one year.

Mr. MUTCH: Yes. I understand that all they are asking is that the disability pension shall, on the death of the pensioner be continued, in this instance, for one year.

Mr. CLANCY: The actual difference to the treasury would be $85 a month.

Mr. MUTCH: That is right.

Mr. ORMISTON: On page three it speaks of excessive funeral costs. Is it not just as likely that these things would apply equally to a veteran suffering from any disability as it would to the veteran who was totally blinded?

Mr. MCDONAGH: The brief is simply trying to put before you in plain terms what happens when the veteran or the veteran's wife is faced with these facts. The wife may not be in a position to pay for an expensive funeral.

Mr. ORMISTON: But not more so than any other veteran's wife?

Mr. MCDONAGH: No.

Mr. BROOME: On the same point, the pensioner being unable to provide protection through life insurance, which is quoted on page three—was this not extended at the last session to provide that the high disability pensioner could purchase life insurance? Were they not given an opportunity to buy life insurance if they so wished?

Mr. MCDONAGH: They have an opportunity to buy life insurance; but how much insurance can you buy when you have a husband and wife with a total income of $300 a month?

Mr. BROOME: I meant for pensionable reasons they were not able to buy.

Mr. WOODCOCK: We have a delegation here today. They were not chosen especially out of our membership. They happened to be the bulk of our executive. The Montreal representative is "Steve" Johnson. I would like to know how many of these fellows here who have multiple disabilities and who wear plates in their heads, are able to get life insurance?

I fortunately am one of them because my brother-in-law—I should not say any more than that. But that is what we mean. So often, incidentally, if we are blind, we are considered to be a greater risk. And it costs us anywhere from $3 per thousand, up, to buy insurance, if the insurance companies consider our health such that we are insurable.

Mr. BROOME: My question is this, and I shall direct it to the officials: did the government not make it possible for a pensioner, regardless of the degree of his disability, to buy insurance at the standards rates?

Mr. MACE: That is quite right. I shall ask the former superintendent of veterans insurance, Mr. Black, to answer you.

Mr. C. F. BLACK (*Secretary of the Department of Veterans Affairs*): Mr. Chairman, the Veterans Insurance Act provided for a maximum of $10,000 life insurance to veterans of World War II and of the action in Korea.

For discharged personnel after World War I, the returned soldiers insurance act was available, and it offered protection up to August, 1933.

Veterans insurance is now available to World War II veterans until September 1962. The rates are comparable to those charged for corresponding insurance accepted at standard rates by the life insurance companies.

As far as total disabilities go, we are prepared to accept all applications from pensioned veterans, provided they have a reasonable expectation of life. If a pensioner applies for insurance and his expectancy of life is more than several months, we will accept the application.

Mr. BROOME: You say more than several months?

Mr. BLACK: If the applicant has a terminable illness, his application may not be accepted.

Mr. WOODCOCK: I would like to ask the last speaker this question: supposing tomorrow I decide to take out $10,000 of government insurance, and supposing you accept me, and I die within six months, will you pay my widow the $10,000?

Mr. BLACK: The answer is that your acceptance would depend on medical advice given.

Mr. WOODCOCK: Assuming I was accepted and then died within three months or six months or a year, if you wish: would the government pay my widow the $10,000?

Mr. BLACK: Assuming you were accepted and the policy was issued and you died tomorrow, we would pay your widow $10,000 provided there was no fraudulent statement made in the application.

Fraud in connection with a large pensioner is very difficult, because we have on record the details of his disability. It would be virtually certain that your widow would receive the whole amount, and that the policy would be paid in accordance with its terms.

Mr. MCDONAGH: I am merely anxious about those of the first world war. Things may have changed. But if I died of my pensionable disability, would you pay my widow $10,000?

Mr. BLACK: We would pay the full amount. There was previously in effect a provision whereby for some years the payment would be limited in ratio depending on the commuted value of the pension, but it was eliminated at the last session of Parliament.

Mr. MONTGOMERY: I am a little confused. Suppose I am a World War I veteran who had no service in the second war or in the veterans corps. Could I get this insurance?

Mr. BLACK: No sir. The last date on which World War I returned soldier's insurance could be accepted was in 1933.

Mr. FANE: Could I get that? I was in both wars, but I was not overseas in the second war.

Mr. BLACK: So long as you were in service in World War II, you are eligible for veterans insurance.

Mr. MCINTOSH: Have you had any applications from blind veterans which have been refused? That is my first question, and my second question is this: have you had any claims where the veteran has held a policy and you have not paid it on account of fraud?

Mr. BLACK: With respect to your first question, we have received—and incidentally I do not have complete insurance records here—but we have received something over 42,000 applications for veterans insurance, and of that total, about 72 have been declined.

Whether any applications have been declined because of blindness I doubt very much, because blindness does not shorten life to the extent that is mentioned in our requirements.

According to my recollection we have refused to pay two policies where fraud was evident.

In one case the applicant stated that he was in good health. But he was in fact suffering from terminable cancer and the doctor handling his case assured us that at the time he applied he knew about it. Therefore we were unable to pay it. That was one instance of fraud.

If a man is blind that does not shorten his life, so we would not turn down an applicant on that ground.

Mr. BROOME: And this insurance is available in any sum? Suppose a pensioner wanted to buy just $1000 worth, could he have it?

Mr. BLACK: The insurance is available in any multiple of $500.

The CHAIRMAN: Have we concluded our discussion on this first subject of the brief?

Mr. THOMAS: I have one more question in regard to the drop in income or the cost to the government of putting this scheme into effect. I understood from your statement that where the maximum pension is $2400 and it was paid to a man and his wife, if the pensioner dies his wife's allowance then would be decreased to $115. But the statement was also made that in cases where there are children, the children's allowance on the death of the father is immediately doubled; so that the difference of $85 between the $200 allowance to the married people, coupled with the $115, might not apply altogether where there were children in the picture.

The CHAIRMAN: Perhaps the chairman of the pension board would comment on that question.

Mr. MUTCH: I am not sure that I understand your question, Mr. Thomas. But in the case of a man and his wife, the maximum pension, the 100 per cent pension, is $200 a month; that is the basis on which the reduction at $85 is made. As I said a few minutes ago, if there are children of suitable age, additional pension for those cchildren is payable from the day following the death at orphan rates. In other words, double the previous rates.

I assume in the request which is being made, that it was the intention of those who prepared the brief to retain the $200 award for a period of one year.

If the widow had the two children; she would get, at the present time, $115 for herself, $40 for the first child, and $30 for the second child, or a total of $185 a month; whereas, before the death, they would get $235, that was $150 plus $50, plus $20, and plus $15; and they would be getting the helplessness allowance too. The attendance allowance ceases with the death. It would be stopped automatically when the need for attendance disappears with the death. Do I make it clear?

Mr. THOMAS: Yes. My point is this: the number of children who entered into the picture would affect any savings that there might be on the part of the government.

Mr. MUTCH: I do not think it does, because the children are pensionable in any case. What is paid to them is not affected by the suggestion, and they would certainly, in the one instance, continue to be paid for one year at the rates payable during the lifetime of the father. Actually the rates are automatically doubled; at the time of the father's death.

The CHAIRMAN: Have we completed the first topic?

Mr. MONTGOMERY: I am not quite sure I understand this, because the inference drawn from the brief is that the widow of a veteran who continues

under the veterans allowance gets that $620 a year right along; but after the first year—at the end of the year—is the whole thing not stopped, and the widow gets nothing from there on?

The CHAIRMAN: Perhaps Colonel Garneau will answer your question.

Colonel F. J. G. GARNEAU (*Chairman, War Veterans Allowance Board*): There is a clause in the act which permits continuation of the married rate that the veteran was receiving before he lost his wife, and that is for twelve months following the death of the recipient or, vice versa, the death of his wife.

But if at the end of those twelve months the widow is entitled to be put on the war veterans allowance either by reason of her poor health, or her age—if she is 55 years of age it is practically automatic—she goes on the widows allowance, and she would be paid at the single rate.

For example, take the case of a widow who might be only 42 years of age, and who lost her husband through an accident or for some other reason. She would continue to receive that allowance for one year; but after that she would have to qualify on the grounds of health—I might say—if she is to continue to receive that allowance. In other words, she is subject to a means test. Any questions which arise having to do with capacity would be determined in the same way as those in connection with the veterans themselves, by means of medical reports.

Mr. MONTGOMERY: When a widow reaches the age to receive the old age pension, her war veterans allowance is reduced by that amount.

Mr. GARNEAU: Yes, sir and that is done to keep her within the maximum income or ceiling permissible.

Mr. BROOME: Would it not then be true to say that the War Veterans Allowance Act, as far as the widow is concerned, has advantages for widows, whether they be widows of veterans drawing the allowance, or whether they be widows of veterans who are pensionable? In other words, the provisions of the War Veterans Allowance Act are a protection for all widows?

Mr. MUTCH: Perhaps I might say a word there. If a widow is in receipt of a pension as a widow, her income would then place her beyond the means ceiling in the War Veterans Allowance Act; so it is not a choice. After all, there is no means test for the widows pension, but there is a means test for the war veterans allowance; and if the Commission, upon occasion, increase the pension award and eliminates the dual payment, W.V.A. becomes automatically subject to reduction by the other awarding authority, the War Veterans Allowance Board.

Mr. WOODCOCK: If a widow of a war veteran is in receipt of a pension, her primary income is $90, and it is the same when it applies to old age security. Old age security takes into consideration what you receive under the War Veterans Allowance Act, that amount of $90.

The CHAIRMAN: Does that complete our discussion? Shall we proceed to the next topic on page 4, "continuance of wife's allowance"? Have we any questions?

Mr. WOODCOCK: With reference to the continuance of the wife's allowance, there is a paradox in my way of thinking.

Prior to the death of the pensioner, (the i.e. wife of one of our war blinded)—as it is presently set up—the pensioner is in receipt of $250 per month. I can paint a picture of an individual receiving the war veterans allowance whose wife dies, and whose allowance is continued at married rates for one year following the death. During the period of that one year, the income of that war veterans allowance recipient goes to $245 a month—i.e. W.V.A. at married rates $145 plus $100 per month attendance allowance plus the government giving him free hospitalization which is $2.20, which is

charged against the pensioner, bringing their two incomes for the one year following the death of the wife to $247.80 for the pensioner. That is, $247.20 for the war veterans allowance case.

There is only a difference of 60 cents between the two cases, providing that the war veterans allowance case I am talking about is totally blind from a cause which is credited to his disability.

Then a change of policy was recently brought into force. There is this 60 cents difference between the two.

The CHAIRMAN: Are there any further comments?

Mr. HERRIDGE: That is a very interesting piece of information.

Mr. BROOME: What is it for the war veteran who does not happen to be in this very special case? Perhaps one of the officials could tell us? What would it be for a war veterans allowance recipient whose wife dies and he is not in that particular category?

Mr. MACE: I think the war veterans allowance recipient whose wife dies would continue at the married rate for one year, and he would get $120 per month.

Mr. GARNEAU: Yes, if he was getting $120 a month.

Mr. BEECH: What is the position of the single blinded veteran? Let us say he received the same allowance for care and attendance. How does that fit into the picture?

Mr. MCDONAGH: The commission awards an attendance allowance to the single blinded veteran who is pensionable under section 30 of the act.

Mr. BEECH: He does get an attendance allowance?

Mr. MCDONAGH: Yes.

Mr. BEECH: I was thinking of a different case; would the attendance allowance be carried on just the same?

Mr. MCDONAGH: If a single man dies, then the attendance allowance stops.

Mr. BEECH: I was thinking of a blind veteran who lost his wife. Would his attendance allowance be kept on?

Mr. MUTCH: The commission has the authority to continue to pay the attendance allowance to a blind pensioner, when his wife dies, provided he has minor children—I am sorry—the attendance allowance itself is continued, and the additional allowance for the wife may be continued—that is what I should have said—the additional pension for the wife may be continued where there are minor children.

The CHAIRMAN: I think we have cleared up that point.

Mr. WOODCOCK: Once again I would point out that there is provision within the act right now to continue to pay the wife's allowance under the form of a housekeepers allowance, if he wishes to have a housekeeper, where there are dependent children involved.

Mr. MUTCH: That is correct.

Mr. WOODCOCK: That service is available now to a pensioner if his wife died and he had dependent children; but this legislation is intended mainly for the benefit of the veterans of World War I; and in fact the story written here is actually the story of a World War I veteran. It is a personal one in this case.

Mr. HERRIDGE: There are not many of them who would have dependent children now.

Mr. WOODCOCK: Would you like to suggest that that is beyond the realm of possibility?

The CHAIRMAN: Shall we move on to the next point? Have we agreed on this subject? If so, let us move to page six "free hospitalization for non-entitlement conditions".

Mr. HERRIDGE: I would like to ask this question with reference to page seven where the brief reads:

> On numerous occasions our war blinded have experienced lengthy sojourns in admitting offices, while a multiple number of seemingly irrelevant questions are asked, in order to determine entitlement to treatment.

Would the witness expand on that statement a bit?

Mr. MCDONAGH: I must call upon Mr. Woodcock, because he has some six or seven cases which he investigated where he found those conditions to exist.

Mr. WOODCOCK: Mr. Chairman, we are not confining this request just to this year. Our attention to this group is drawn from the fact that it has not alleviated these conditions as they exist, because the conditions still exist. We have one member of our delegation here today who, some years ago, was rushed to hospital in a coma, and his wife—and here again I say "seemingly irrelevant question"—was detained in the admitting room for a long period of time; if I remember correctly, it was upwards of an hour; and when he eventually reached the ward, the doctor and nurse took one look at him and sent for a priest.

Treatment regulations did not alleviate that type of condition. There are other conditions outlined here. Once before when I appeared before the Minister of Veterans Affairs, I was picked up on a statement that it happens all too often. But I am making use of the term again, because it does happen all too often, because in our view, even if it only happened once, that would be once too often.

It is a thing we want to eliminate and we still consider it part and parcel of the whole picture of blindness.

No one knows the frustration and the nervous conditions that are suffered. As a matter of fact, Colonel Baker is suffering from the very same disability that is keeping him down for six or seven months, due to nervous tension and strain. You cannot tell me, gentlemen, that the nervous strain which Colonel Baker has been under as a result of his total blindness over the years has not had a very serious effect on his person; and there are other disabilities here.

If you wished I could give you the routine to be followed when you are seeking treatment, and it is still dependent on the time of day. If they would only call me and say what must I do to get my husband into the hospital, I would tell them what they should do. We would give them the correct procedure.

But picture for yourself a distracted wife, when her husband is very seriously ill. She calls up the doctor recommended, and the inspector at the hospital—it may be just ten minutes before closing time—he asks: what income have you got? And she happens to say $300 a month; whereupon he says, "I am sorry, you are not entitled to treatment".

What has been left out is the fact that the income is derived from pension, and under the treatment regulations the man could go in and receive treatment at a very nominal charge. We will agree to that. But I have veterans now who, rather than go through it, prefer to remain at home and receive their shots once a month, paying for them themselves.

This subject has come up at the last two or three general meetings, and even at our reunion it is a very hot topic from time to time, since so many were blinded.

Mr. McINTOSH: Are you not being harsh, when you say that irrelevant questions are asked? Are not such questions asked of everyone who goes into a hospital?

Mr. WOODCOCK: I can only speak for our group, because it is the only group on which I have the records.

Mr. McINTOSH: How can you say that they were irrelevant questions?

Mr. WOODCOCK: I did not say that. I said they were something else. I said they were seemingly irrelevant questions. And if you were in the position of the wife, I think some of those questions would seem irrelevant to you, if your husband were lying there in a coma. Seemingly irrelevant is a different picture, I think. We feel it would solve the problem if he had a card that said, "This chap is a totally blind veteran. Admit him and then find out what is wrong", and not, "Find out whether he can pay or whether he cannot pay and whether he is entitled to treatment". A man with consequential disabilities is in the worst position of all. I can give you the regimental numbers and means if you wish them. I have a file here and I can name them.

Mr. McINTOSH: Have you any cases where a patient has been turned away from one of these hospitals?

Mr. WOODCOCK: Yes. I know of a case where the man arrived in an ambulance and was seen by, possibly, an intern—I do not know. He was sent home again in the ambulance with a prescription. I do not come into that picture until after a lot of it has gone on, and then I am amazed to find out what has happened.

For instance, in the case I am talking about the man was sent home after arrival at the hospital and his widow called me in exasperation. From her description I gathered the veteran had gone to the out-patients clinic, and it could quite possibly happen that if the doctor felt this man did not need treatment other than a prescription, he would send him home again. I started to calm the wife down on that premise, only to discover that he had been sent there in an ambulance by his own doctor.

Mr. McINTOSH: In that particular case did you find out he needed other treatment at that time, rather than the prescription which the doctor gave him?

Mr. WOODCOCK: Well, they later admitted him. When it was drawn to their attention, they sent an ambulance out—this time a department ambulance—and took him into the hospital and gave him treatment. I can only assume that the first time he appeared at the door with the same condition, and he should have been admitted then.

I have other cases too. Frankly, I deplore the fact that this type of thing should get into the press, and I would ask that if I am forced to give names, or if I give you names and regimental numbers in confidence, they be kept as such. We do not want the kind of headlines we have seen across the country. We have too much respect for the heads of staff, who I know are doing their best.

Mr. HERRIDGE: Mr. Chairman, I just wanted to say that I am fully in sympathy with the recommendation made in this connection. When we can provide hospitalization for people who fought against this country—and I am not blaming them as individuals—we certainly should be able to provide facilities in veterans hospitals for the hospitalization of the war blinded of Canada.

Mr. THOMAS: Mr. Chairman, I would like to ask Captain Woodcock if, in the case of his association, the national hospitalization scheme in those provinces where it is brought into effect will not largely alleviate the condition that they have found unsatisfactory?

Mr. WOODCOCK: Sir, I do not see how it can, because you are still going to be confronted with the problem, "Is this man entitled to this treatment? Is this man's pensionable condition the reason for his admittance? If it is not, then we do not have to admit him".

Let us assume it is a consequential disability—and we have them. You can have the slips and falls of one particular case, for instance, and the buffeting in and around for months and months, until finally the man develops some condition because of his mental anguish. In the meantime a debate is going on as to whether the slip and fall of a totally blind man is consequential upon his blindness or not.

Where can I get a doctor in this room—even Dr. Crawford—who can argue with me? I can stand here all day and point out things in that connection—nervous strain, stomach upsets and a number of other things—which we know and our families know are consequential to this disability of artificial eyes.

But you try and prove it and ask to be admitted because it is part and parcel of your pensionable condition. I do not say that this government paying our hospital bills is going to do it at all. It is only going to mean that we should forget the military hospitals set up for the purpose of treating battle casualties and go to civilian hospitals. We might just as well—

Mr. MCINTOSH: Are all those who belong to your organization in localities where they can attend a military hospital? Do not some have to go to civilian hospitals?

Mr. WOODCOCK: A remote few would have to go to civilian hospitals; but in blindness you will find there is usually a migration from the rural areas to the more heavily populated areas to take advantage of the facilities and the services and, if possible, employment opportunities. So your blind population, as far as the war blinded are concerned, are on a parallel with the population across this country; and there are military hospitals in most of those centers.

Mr. BEECH: Mr. Chairman, I was given the impression at the last session that this program had been clarified or, at least, cleared up, by this new hospital scheme, particularly as it refers to veterans. We discussed this at some length, as I recall. The same conditions applying to other veterans as well as the blind was discussed at some length, and I was under the impression that all they had to do, as long as the doctor recommended it, was go to the military hospital and they could be admitted immediately and could be given treatment for whatever condition they were admitted.

I do not know whether I had the wrong impression or not, but if I had I would certainly like to be cleared up on that matter.

The CHAIRMAN: Can we get any clarification on that point? I believe there was some lengthy discussion to this effect at the last session.

Dr. CRAWFORD: Mr. Chairman, we are really being asked in this brief to agree to the provision of treatment for all conditions to the war blinded as of right. A great many people would be in sympathy with this view. I think that one should realize what we are getting into in doing this and I do not mean dollarwise, because probably that should never be the measure of anything we undertake.

Under the legislation we have treatment that is restricted to the treatment of a pensionable disability. If this is to be changed, you must instruct me. I cannot act on my own. This is a matter upon which you must make the policy. We have already vastly exceeded our terms of reference. We are treating all kinds of veterans on the basis of (1) indigency and (2) the ability to pay for treatment provided that beds are available.

Under indigency we treat the war veterans allowances recipient for everything. However, we treat the pensionable veteran only for the pensionable disability unless he can pay for additional treatment or unless he is otherwise indigent once we have taken away his pension from his income.

I am not trying to pretend this is right. All I am telling you is what is written in the book of words now. If this is to be changed, you must tell me to change it. If we are to consider the war blinded as a special group—and they might well be considered as a special group—you must tell me. There is another thing you must tell me, and that is whether everyone who has a war blinded pension, be it a pension of 5 per cent or 10 per cent or 100 per cent, comes into this group. In other words, if you are taking war blindness as a special disability and giving them special rights and privileges —and perhaps this is what you want to do—you should tell me if this privilege is to apply to all or only to some. If you want to apply it only to those who are blinded to a certain extent, then you must tell me the degree of pensionability where this privilege is to be cut off.

We have a brief from the War Amputations Association very much along these same lines. They say "high disability cases". I do not know what "high disability" means. I do not know where high disability stops and medium disability begins. The war amputations themselves have at various times suggested 50 per cent disability. They say that 50 per cent disability and more should be entitled to free treatment for all conditions. That perhaps is justifiable perhaps it is right. But you must tell me that is 50 per cent and you must also give me answers as to why not 45 per cent.

If we are to give free treatment to everyone in the war blinded group and in the War Amputations Association who has above 50 per cent disability, I can tell you how much it will cost, or I can calculate how much it will cost and you can give me the money to do it, and I will do it.

I must also have an answer to give to the paraplegics. I must have an answer to give to all other groups of pensionable veterans who are in receipt of a pensionable disability of a certain level. It seems to me that if we are going into this thing properly you must instruct me to provide free treatment for all conditions for anyone who is in receipt of a disability pension. If you so instruct me, I can calculate the cost, or take a cock shy at it, and carry it out. But, under the present terms under which we have to work, the war blinded pensioner is treated in our hospitals as of right only for his blindness or for whatever pensioned multiple disabilities he may suffer.

Captain Woodcock has said it is impossible to reason properly on the basis of consequential injuries following on blindness. I cannot agree that it is impossible in all cases, but in most cases it is extremely difficult and I would like to feel that the benefit of the doubt in treatment services is applied in these cases. I would like to feel that where a man trips over something because he is blinded and injures himself as a result, this clearly follows on his pensionable disability, and I would hope that this applies in general throughout our treatment services.

Captain Woodcock said some very harsh things about some of our staff, and this is to be regretted, because in the main I think they do their best. We have in our treatment services a number of people whom, frankly, I would prefer not to have. I think I can develop in treatment services a much better public relations aspect, which is what we need, by firing a great many people that we have there now and hiring others, probably females, because I think they do a better public relations job. In doing this I would be discharging veterans who are dependent on us for a livelihood. If this is what I am to do, instruct me and I will do it.

Mr. BEECH: That is not an answer to the question I asked. I forget whether it was the minister or the deputy minister who said that because of the new insurance scheme any veteran would be entitled to admittance to a departmental hospital.

Dr. CRAWFORD: Yes. I am sorry; I did miss this. This, of course, is only partially true. This means that every veteran who is insured has the privilege of coming to our hospitals and his way will be paid under the insurance scheme. This therefore brings him into the section 23 class and he can come into our hospital, provided we have beds available. But we must have beds available.

Mr. BEECH: Would not that do away with some of the inconvenience and some of this treatment that Captain Woodcock mentioned? If he was admitted as a matter of right under that basis, it would certainly eliminate all these questions that have been complained about.

Mr. DIES: Of course, Mr. Chairman, you do know that with my multiple disabilities I could not be admitted to hospital under the D.V.A. because I have been stupid enough over the years to get an income which is more than a blind man should have in his lifetime. I can go in for possible trouble with my right arm—which has never bothered me—and I can go in because my artificial eyes bother my sockets. But I never do.

I have at the present time a condition of arthritis, which they were very kind to tell me about, but that is as far as it went. As I said before, I am additionally suffering from disability and I am not entitled, as you know very well, to any treatment beyond that for which I am pensioned. Notwithstanding all these disabilities I have my pension is exactly 100 per cent. But because of thrift, and, if I may use those two words again, intestinal fortitude, Mr. Chairman, I am excluded from hospitalization. That is the sum and substance of it.

Mr. WOODCOCK: Mr. Chairman, may I make one more statement. I do not want to cross swords with anyone here. My harsh words are only an attempt to point out the facts with which we are confronted. I do not mean to cross swords with any one particular branch of the staff, because the widow might have asked some one else in some other department.

I can refer to another one of our delegation here today who was in need of an operation for a kidney stone removal. He was actually told on the 'phone, "How much are you earning? If you are earning over $35 a week you are not entitled to treatment". That is the kind of eroneous statement, regardless of whose toes we step on, that we are trying to eliminate.

In the first place the statement was incorrect, whoever made it on the other end of the telephone. If you are earning $48 a week you do not fit into section 13 of the treatment regulations. That was one error. Secondly, if this particular veteran had wanted to go into military hospital, and could pay, he could have done so. Why would anyone on the end of that telephone tell the man he was not entitled to treatment in a military hospital because he was earning over $35 a week? If that is being hard on anybody, I could go on.

The CHAIRMAN: Captain Woodcock, listening to Dr. Crawford's explanation that would seem to be more of an administrative problem than a fundamental problem, because if beds are available they would be admitted.

Dr. CRAWFORD: The statement, on its face value, is quite true. He is not entitled to come into hospital. The only person who is entitled to come into a veterans' hospital is a veteran, for his pensionable disability. Everyone else is taken in as a matter of privilege, and we extend this privilege as far as we can.

Mr. HERRIDGE: Mr. Chairman, I should like to ask Dr. Crawford a question on that. Is a veteran who has less than 365 days service in the United Kingdom entitled by right to go into a veterans' hospital, without pensionable disability?

Dr. CRAWFORD: You are thinking of section 13?

Mr. HERRIDGE: Yes.

Dr. CRAWFORD: No, he is not. Section 13 has certain service qualifications as well. However, if this man is insured, he is privileged to come in.

Mr. HERRIDGE: If he is insured, yes.

Mr. MCDONAGH: May I ask a question of Dr. Crawford: is it not a fact that of some 8,000 beds which are available in D.V.A. hospitals less than 40 per cent are occupied for entitlement conditions?

Dr. CRAWFORD: The percentage over-all is somewhat lower than that. Closer to 30 per cent of our beds are occupied by veterans for treatment of their pensionable disability. This, of course, is a matter of some concern because we are struggling to keep a good medical service for the benefit of those pensioned veterans by adding to the volume of patient load from the privileged group.

Mr. THOMAS: I have one more question: does the Department of Veterans Affairs take any special precautions to see that all veterans are covered under the Ontario Hospitalization Act? At this moment. all I can speak of is the province of Ontario. Maybe it should apply to other provinces where the national hospitalization scheme has been put into effect. I mean by that, any individual can come under this scheme by paying the necessary premiums; and under certain conditions groups are compelled to come under the scheme. But I also believe it is possible for individuals to be left out of the scheme if their premiums are not paid. I know the municipalities make sure that fees in connection with all indigents under their care are paid. My question is: are similar precautions exercised by the Department of Veterans Affairs? Probably that is a question for the assistant deputy minister.

Dr. CRAWFORD: With his permission, I will try to answer your question. In those provinces where hospitalization is financed by a sales tax or some general levy of this nature we feel, of course, we have no concern in the matter; every resident of the province is covered. In those provinces where the hospitalization scheme is financed by the payment of a premium, we confine our efforts to ensure that all veterans in receipt of war veterans allowances are covered. We do not take any steps to cover the man who is employed; this is generally done by his employer; nor do we take any steps to cover any other group of veterans except those who are in our domiciliary care and have an income; we register those.

However, we have not lost sight of the fact that it is possible for some veterans to slip through this net, particularly in Ontario where there is no penalty for not being enrolled under the scheme. If a veteran in Ontario, a small farmer, and thereby self-employed, chooses not to pay his premium, then of course he cannot benefit from the hospitalization scheme. He is not insured under it. However, all the sections of the veterans treatment regulations are still extended to him and are still in being, and this man can seek treatment under section 13 or under any of the other sections in which he might find coverage. In other words, the veteran himself is not losing anything by this. He can still utilize section 13 and pay whatever he can afford to pay to us, and we will treat him.

Mr. HERRIDGE: I would like to ask a question of Dr. Crawford. I was very interested in Dr. Crawford's reference to the fact that if there was a hospital insurance scheme in effect, say, similar to British Columbia, you were not concerned about the veteran because he was covered. But is it not true there is some difference in connection with the persons who are admitted to an ordinary hospital and those to a veterans' hospital.

Take, for instance, British Columbia. Suposing a veteran who does not qualify because he only has 364 days service in England, is not a war veterans allowance recipient and is in need of hospitalization for a chronic disease. He would not be admitted to a general hospital under our hospital insurance scheme and at the same time would not be admitted to a veterans affairs hospital, according to your explanation.

Mr. THOMAS: In Ontario.

Mr. HERRIDGE: In British Columbia.

Dr. CRAWFORD: I see your point. Section 13 is meant to cover active treatment. Now, the man who only had 300 days' service and could not qualify under section 13 for active treatment, is covered by the plan for active treatment, and comes in. This might affect the man who is coming in for chronic care, for which the provincial government will not pay, because chronic care is not an insured service. If he did not have the qualifying service which would let him come in under section 29, he might be excluded.

Mr. HERRIDGE: It is a possibility that some veterans would be out in the cold.

Dr. CRAWFORD: Yes, but numerically they must be very, very small.

Mr. HERRIDGE: But as the witness said one is more than we should have.

Dr. CRAWFORD: Well, true enough, but you must instruct us if our attitude toward the provision of hospitalization and treatment for veterans is to change.

Mr. HERRIDGE: I think we have to do something about it.

Mr. MCINTOSH: But not one special group.

Dr. CRAWFORD: This is a matter you must decide for yourself.

Mr. DIES: Dr. Crawford, how many would there be in these groups to which you referred,—the paraplegic, the blind, the major disabilities and the amputees. Would there be 500: I do not think so.

Mr. MUTCH: No?

Mr. DIES: It would not be near 500; so it is a small group.

Dr. CRAWFORD: The amputees are a large group.

Mr. DIES: But the major disabilities are very small.

Mr. MUTCH: Something over 2,300 at the present time.

Mr. DIES: That is active.

Mr. MUTCH: Yes, all but a rather small percentage of that group would be for major disability—perhaps 70 per cent of them or upward.

The CHAIRMAN: How are we coming along in our discussion of this particular subject? Have we any further comments on the matter of hospitalization and treatment. Is it your wish that we agree that this subject be carried?

Agreed to.

The CHAIRMAN: On page 8 the next topic raised is under war veterans allowance. Is everyone clear what is indicated under this topic?

Mr. MCINTOSH: I have one question in connection with where it says "blind war veterans allowance recipient, or married veteran with a blind spouse". Should not that be "married blind veteran with a blind spouse"?

Mr. GARNEAU: No.

Mr. MCINTOSH: There is another provision for a blind spouse.

Mr. MCDONAGH: I do not have the act with me, but Colonel Garneau may have it. There is another provision for a blind spouse, and this is just carrying it out.

Mr. WOODCOCK: This has to do with a war veteran recipient with a blind spouse.

Mr. GARNEAU: That is the proposed amendment, I understand, of your association. Actually the act says:

> Married veteran residing with spouse who is blind within the meaning of the Blind Persons Act.

That quotation is actually from our act. You are referring to the blind war veterans allowance recipient or married veteran with a blind spouse; and that is the proposed amendment, if I understand it correctly.

Mr. CARTER: How does the Blind Persons Act apply to the spouse of a veteran? A veteran could be male or female. How does the Blind Persons Act apply to that person?

The CHAIRMAN: Have we an explanation of the point of the question asked by Mr. Carter? Would you please repeat your question, Mr. Carter.

Mr. CARTER: How does the Blind Persons Act apply to this particular situation, the blind spouse of a veteran?

Mr. GARNEAU: I understand that is the principle behind it. I think this was placed in the act in 1955 to give a slight extra amount to the veteran who is sighted himself, on account of having a wife who is blind; and that represents an income ceiling of $155 a month instead of the $145 a month as for the normally sighted married person. This is likely so because of small extra items of expense on account of the wife that the veteran himself might incur, actually I would not know offhand what could be incurred, but that was given as a concession because the sighted veteran may have to look after his wife who is blind. But there is actually no extra allowance paid for the veteran who is blind and in receipt of war veterans allowance. If I understand correctly, that is the purpose of this proposed amendment.

The CHAIRMAN: Colonel Garneau, I think your explanation has cleared up the point. Are there any further questions?

Mr. CARTER: I am not completely clear on this. Take the case of a woman. If she was not married to a veteran and she was blind, she would be entitled to some pension under the Blind Persons Act. Now being married to a veteran who receives a war veterans allowance, is that income taken into account? To what extent is that taken into account in computing the allowances paid to the veteran?

Mr. GARNEAU: I think all income that is not exempt under the act would be taken into account in the same way as any ordinary income is concerned. However, the ceiling in that case, instead of being $145 a month or $1,740 a year, would be $155 a month or $1,860 annually. Does that answer your question?

Mr. CARTER: There is a different ceiling.

Mr. GARNEAU: Oh yes, there is.

Mr. CARTER: The only question then is whether the ceiling is commensurate with the extra expenses in connection with that type of union.

The CHAIRMAN: Are there any further questions on this topic?

Mr. MCINTOSH: The comparisons in this brief all seem to be in reference to the veterans allowance recipients who are indigent; is that correct?

The CHAIRMAN: Yes.

Mr. MCINTOSH: And it seems to me if we do anything for these indigent cases, that the other groups will also want the same consideration over and above what they are already receiving. But I do not think you can compare the two groups. One is receiving it for a different purpose than the other. That might be something I should not mention to this group today, but I wanted to bring that forward.

Mr. WOODCOCK: To my knowledge there is none of our war blinded in this category affected by this resolution. It is a resolution asking that the blind war veterans allowance recipient be treated exactly the same as the blind war veterans allowance recipient who has a blind spouse. Having recognized the cost of blindness with a spouse, surely it applies equally to the war veteran who is blind. But it does not affect our war blinded group.

Mr. MCINTOSH: On the next page you say:

> Whereas more recently, without consultation with the war blinded, those on war veterans allowance whose blindness is not due to service, have been granted the same rate of helplessness allowance as those whose loss of sight was due to wounds on service. The war blinded, while not wishing to deprive the non-war blinded of the fruits of the generous impulse which has changed the policy, feel very strongly that the new modified rate accorded to war veterans allowance cases, definitely raises the question of an adjustment in the rates applicable to the war blinded.

Mr. WOODCOCK: Here again we see this comparison creeping in. Unfortunately or otherwise, over the years there has been a differential between service connected blindness and non-service connected blindness. As the brief indicates, there was an occasion where our group agreed that some form of modified helplessness allowance should be granted to the veteran who had some small pension entitlement.

Within the act it is legal and quite in order to grant any amount of helplessness allowance to a pensioner from the minimum of $480 up to the maximum of $1,800, dependent on his condition. But in connection with the blind, there has always been a differential, perhaps for the reason, as indicated by our president a few moments ago—42 years of blindness; blinded when a young man, and having to carry the disability all these years. It is an attempt in a sighted world to create security, whereas most of these cases are going blind on account of old age. There has been that differential always in the past. Now we learn, not by consultation with us, I do not suppose there is anything to force anyone to consult with us—but we learn purely by accident that the same amount of helplessness allowance is being granted to non-service connected blindness, thereby placing us on exactly the same plane.

Once again, we do not want to see any one particular group discriminated against, but we certainly felt that some sort of differential should be maintained. It is a generous impulse to move them up to the same level as gunshot wound cases, and in our case mainly multiple disabilities. We can only achieve a 100 per cent pension, and we have raised the question in our minds: should we go back to previous requests and ask possibly for the payment of a 50 per cent pension for all disabilities in excess of 100 per cent. We have asked ourselves on occasion: should we reach back into our past perhaps and ask that pensions be exempt entirely as income when applying for war veterans allowance. Perhaps these are the answers, gentlemen; I would not know. However, we strongly feel that there should be some differential between the two.

The CHAIRMAN: I notice there are other members who would like to enter the discussion at this stage, and I also see that the clock has moved on. We have a problem with our delegation today. The delegates have to catch a 3:30 train, and if it is the wish of the committee we might extend our sitting long enough to complete the discussion of the remaining parts of the brief. We are almost towards the end now. What is your wish?

Mr. BROOME: Let us carry on.

The CHAIRMAN: I believe Col. Garneau has a comment.

Mr. GARNEAU: Mr. Chairman, I was rather surprised to see the item on which Captain Woodcock spoke a moment ago, and I was wondering from this whether he refers to attendance allowances granted to veterans allowances recipients. Is that what you meant by your reference to the Canadian pension commission? In our case it was a little misleading. I was not aware that we had made any change of policy on that score, although I may state the matter was under discussion for a little while as to whether it would be possible to exempt helplessness allowances granted by workmen's compensation acts, for instance, for industrial accidents; but that has not been resolved.

I just wanted to clear the air on that point, because when I first read the brief I thought possibly that somebody on the board, unknown to me, had enacted a new policy. Mr. Mutch inferred that it was paid by the pension commission.

The CHAIRMAN: Mr. MacRae, do you have a comment?

Mr. MACRAE: I have a comment, Mr. Chairman, but I was going to suggest that we adjourn until later in the afternoon. However, that has been taken care of.

The point I have in mind is that there are some very basic principles of pension legislation involved here, and now we are going to run through it, which is unfortunate. However, that is the situation. I had in mind that if Captain Woodcock and the other members of the delegation could have stayed, it would have been better to go into it this afternoon, when it could have been more thoroughly done.

Mr. DIES: Pardon me. If it is going to help matters, and you can arrange with the railway to give us our money back, that is all right, because we are rather poor people. But we would be pleased to stay over.

Mr. BROOME: In our general discussion we have touched on most of these items starting from the very beginning. I know I have had several questions on this particular phase we are at. I think we can carry on. After all, we are considering this brief, and this brief only, at this time.

The CHAIRMAN: Do we adhere to the decision of the committee?

Agreed.

Mr. BEECH: I think we should carry on and get it finished.

The CHAIRMAN: Let us continue.

Mr. MUTCH: Perhaps I can say a word here, because this particular paragraph refers to the pension commission.

There are two groups of blinded who receive attendance allowance. There are first the war blinded. The second group are pensioners who, subsequent to their service, are blinded.

It is true that the table of disabilities which fixes the level upon which attendance allowances are paid, did for a number of years distinguish between the war blinded and those pensioners, whose blindness was not incurred during their service itself.

About eight or ten months ago the commission, which is charged with maintaining the Table of Disabilities, reached the decision that they felt that they were no longer able to maintain the dual standard.

Perhaps I could put it this way. They felt themselves no longer able to distinguish between the attendance need of a war blinded veteran who was a pensioner and other blind pensioners. So the Commission said that in the case of the veteran who is a pensioner and who is blinded, in the post war era his disability is identical with the veteran who was blinded on service and he requires the same assistance. For that reason the Commission has eliminated the dual standard and now award the same rate of attendance

allowance to a pensioner who is blind, whether his blindness occurred on the field of battle, whether it was an industrial accident, or arose from some other post service cause.

I should say to Captain Woodcock that at the time the commission changed their interpretation of the table of disabilities—which they create—and eliminated the lower award, his association was informed, and I have with me a copy of his acknowledgement of it.

That is the present situation. The commission, as of the moment, finds itself unable to differentiate, for the purpose of attendance allowances, between blinded Canadian pensioners, whether blindness is incurred on the field of battle or in civil life from condition unrelated to service.

The CHAIRMAN: Mr. Dies has a comment.

Mr. DIES: Mr. Chairman and gentlemen, it amazes me, and it was ever thus, that men do not hold a disability due to service to this country too deeply. I cannot understand at all why a man should be created the same as I, who has lived with all his faculties for possibly 30 or 40 years, and here—as I have said before, I have to use myself because I only know myself—I come along with multiple disabilities because I was able bodied and I volunteered to serve this country. Then, while serving this country, through gun-shot wounds, I got these multiple disabilities. Now you come along at this day and age and you tell me, "This man, who merely joined the army, came home, lived in this country and enjoyed all the country had, lost his sight", and you tell me he is entitled to as much as I am. I think it is a darned crime.

The CHAIRMAN: I think that point, Mr. Dies, applies only to pensioners who are pensioned for specific disabilities.

Mr. DIES: Yes; but they had all the blessings of sight and everything that went with it until they got a little older and had an accident. All these years I have carried this load, and they get just as much as I do. I do not think that is right.

The CHAIRMAN: The point I wanted to clear up in my observation was that it refers to people who have served on the field of battle.

Mr. DIES: I know that; but they have all the blessings.

Mr. MCINTOSH: I think possibly the remarks of the president were a little uncalled for, because there are other people who did not come back, whose families have great problems; and I think everybody on this committee has performed his service to the country.

We are not denying that you are entitled to a lot, and the people of Canada are, I believe, willing to give you a lot. But we must be fair to all groups, and that is all we are trying to do now.

Mr. DIES: I think the people of Canada know that we should get a lot. The majority of the people of Canada know that I cannot go to the hospital and get hospitalization. The people of Canada, I am quite sure, would not be satisfied if they knew that a man who served his country, or who was ready to die for his country, would be treated the same as a man who came back and who enjoyed all there was to be enjoyed for, perhaps, forty years, and then was to be treated the same as the man who received his disability overseas. I cannot agree with it at all.

Mr. THOMAS: This is a matter of policy which will have to be thrashed out by the committee. We are passing on to the realm of principles and we are now asking instead of seeking information. I think we should continue with the brief, and if there are no more questions, and if we have covered the necessary points, then it will be up to the committee to argue this matter out.

Mr. WOODCOCK: I would like to ask one question.

The CHAIRMAN: Very well.

Mr. WOODCOCK: The gentleman sitting in front of me, Mr. Mutch, advises me that my association knew about this change of policy. I would appreciate hearing the communication. I am only the secretary of this association and a sometime past president. Possibly it is due to this very disability that I did not have enough assistance to have the correspondence read to me, because if there is such a communication, I have not heard it.

Mr. MUTCH: I would not, under any circumstances, challenge the goodwill of Capt Woodcock, but I have in front of me a letter dated September 18, 1958, signed by yourself, regarding the attendance allowance. I shall not read that letter, but it is concluded and is signed and I understood it to acknowledge the information which was sent. It is dated September 18.

Mr. WOODCOCK: That is pertaining to the $480?

Mr. MUTCH: Yes; and it deals with the request in connection with the $1,440.00. My point is that this was taken to be in response to the notification which, I am informed, went forth.

Mr. WOODCOCK: Will you read me the notification which went forward?

Mr. BROOME: Mr. Chairman, on a point of order, this is not necessary. We are only getting into an argument and I suggest we move on to the next item. We are not here to have an argument back and forth as to any letter or note.

The CHAIRMAN: I agree with you, Mr. Broome. This is neither the place nor the time to enter into a discussion of this nature. So if it meets with your approval, gentlemen, and Mr. Woodcock, could we not end the discussion.

Mr. MUTCH: I will undertake to clarify the situation with Captain Woodcock.

The CHAIRMAN: I think the two gentlemen concerned could carry this out on a private basis.

Mr. WOODCOCK: I would like once again to come back to the change of policy as outlined in our brief.

The CHAIRMAN: We have proceeded through "helplessness allowance"; are we finished with that subject?

The final subject is "basic rate of pension". I notice reference is made to the interests of the national council who will likely be pursuing this subject later on.

Mr. DIES: That is right. We shall be coming back to that.

The CHAIRMAN: Are there any questions?

Mr. BROOME: It says that they will be submitting recommendations.

The CHAIRMAN: It looks as if we have completed our consideration of the brief. We thank Mr. Dies and the other members of this delegation for being with us this morning. I think the discussion has been informative and helpful.

Mr. DIES: Thank you, Mr. Chairman. This is the first time our association has appeared separately, as it were. We have had a very good hearing. We have had an expression of opinions; and we have talked about these things for so long that this was a good place to unload our thoughts. If I said anything which hurt any person's feelings, personally, it was not meant that way at all. I only wanted to bring out the points as I saw them, because having lived as I have all these years, I felt this was an opportunity to serve my country. I thank you very much. I would like to meet some of these members after, so that they may tell me what it was all about.

The CHAIRMAN: Thank you, Mr. Dies. We shall meet on Thursday when the Canadian pension commission will appear before us.

The committee adjourned.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

RECEIVED
APR 8 1959
Library of Parliament

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

Estimates 1959-60 of the Department of Veterans Affairs

MONDAY, MARCH 23, 1959

WITNESSES:

Mr. Stanley Harpham, Dominion President and Mr. E. V. (Gene) Heesaker, Dominion Treasurer, of the Canadian Corps Association; Mr. D. L. Burgess, Dominion President, Canadian Legion, B. E. S. L.; Mr. L. A. Mutch, Acting Chairman, Canadian Pension Commission.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

20864-5—1

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.,

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

and Messrs.

Badanai	Herridge	Peters
Batten	Jung	Pugh
Beech	Kennedy	Roberge
Benidickson	Lennard	Robinson
Broome	Macdonald (*Kings*)	Rogers
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 112-N.
MONDAY, March 23, 1959.

The Standing Committee on Veterans Affairs met at 11.00 o'clock a.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Badanai, Batten, Carter, Dinsdale, Fane, Fortin, Herridge, Lennard, MacRae, O'Leary, Robinson, Stearns, Thomas, Webster, Weichel, Winkler.

In attendance: From the Department of Veterans Affairs: Honourable A. J. Brooks, Minister of Veterans Affairs; Mr. Lucien Lalonde, Deputy-Minister; Mr. F. T. Mace, Assistant Deputy Minister, Mr. L. A. Mutch, Acting Chairman, Canadian Pension Commission; Mr. F. J. G. Garneau, Chairman, War Veterans Allowance Board; Dr. John N. Crawford, Director-General, Treatment Services; Mr. G. H. Parliament, Director General, Veterans Welfare Services; Mr. C. F. Black, Secretary of the Department; Mr. J. G. Bowland, Research Adviser; Mr. G. S. Way, Chief of Information.

From the Canadian Corps Association, Dominion Command: Mr. Stanley Harpham, Dominion President; and Mr. E. V. (Gene) Heesaker, Dominion Treasurer.

From the Canadian Legion: Mr. D. L. Burgess, Dominion President; Mr. T. D. Anderson, Dominion Secretary; Mr. D. M. Thompson, Chief of Service Bureau; Mr. M. MacFarlane, Service Officer; Mr. Tom Kines, Director of Administration, and the following Provincial Secretaries: Mr. D. MacLennan, British Columbia; Mr. D. E. Fraser, Alberta; Mr. L. A. Macdonald, Saskatchewan; Mr. R. W. Blackwell, Manitoba and N/W Ontario; Mr. Patrick Biggs, Ontario; Mr. K. L. Woolley, Quebec; Mr. S. D. Rhodenizer, New Brunswick; Mr. A. MacKinnon, Nova Scotia; Mr. J. S. Walker, Prince Edward Island; Mr. W. R. Martin, Newfoundland.

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

Ordered,—That, in addition to the 900 copies in English of the Minutes of Proceedings and Evidence now being printed, 2,650 additional copies be printed of such issues as are related to the presentations of the Canadian Legion and the Canadian Corps Association.

In opening the proceedings the Chairman invited Honourable A. J. Brooks, Minister of Veterans Affairs, to address the Committee. The Minister welcomed the two veterans delegations appearing.

Mr. Harpham and Mr. Heesaker presented the Canadian Corps Association's brief.

Mr. D. L. Burgess, Dominion President, presented the Canadian Legion's brief.

It was agreed that the briefs presented be printed in their entirety in the Minutes of Proceedings and Evidence of the day.

Following the presentation of the brief by the Canadian Legion, it was agreed to suspend discussion thereon to a later date and proceed with the study of the brief presented by the Canadian Corps Association.

20864-5—1½

Mr. L. A. Mutch gave answers to specific questions.

At the conclusion of the discussion on the brief of the Canadian Corps Association the Chairman thanked Mr. Harpham and Mr. Heesaker for their valuable contribution. In turn, Mr. Harpham thanked the Committee for their consideration.

At 1.10 o'clock p.m. the Committee adjourned to meet again at 10.30 o'clock a.m. Thursday, April 9, 1959.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

MONDAY, March 23, 1959.
11.00 a.m.

The CHAIRMAN: Good morning, gentlemen. We have a quorum and as we have a busy agenda we must proceed without any further delay.

This morning we have two groups before us, the Canadian Legion and the Canadian Corps. The Canadian Legion has a large representative group with them because it so happens that all the provincial secretaries are in the city on Legion business.

The Canadian Corps is represented by their president, Stanley Harpham, who is an old-timer in the field of veterans affairs, and the secretary treasurer, Mr. Gene Heesaker.

There are two items with which we must deal before turning over the committee to the minister. The first item concerns the provision of extra copies of the minutes of proceedings and evidence of the committee. There is a request from both these groups that extra copies be printed so that the record will be available to the various branches across the country. The suggestion is that 2,650 extra copies be printed.

Mr. CARTER: Does that apply only to this meeting?

The CHAIRMAN: It is for today's meeting only.

Mr. THOMAS: I move that in addition to the 900 copies in English, 2,650 extra copies be printed of the minutes of proceedings and evidence of the sittings of the committee relating to the Canadian Legion and the Canadian Corps.

Seconded by Mr. Herridge.

Motion agreed to.

The CHAIRMAN: Mr. Mutch has two items of interest to be tabled.

Mr. LESLIE A. MUTCH (*Acting Chairman, Canadian Pension Commission*): At our last meeting Mr. Herridge made an inquiry as to the number of pensioners receiving blind attendance allowance who had died. I have before me the figures for the years 1952, 1953, 1954, 1955 and 1956. This information was readily available because of the review of the attendance allowance in 1957. The figures are as follows: 1952, 7; 1953, 6; 1954, 7; 1955, 9; and 1956, 13. It should be pointed out that some 100 per cent pensioners for blindness do not receive blind attendance allowance as they have some light perception. Some of these 100 per cent blind pensioners may have died and, if so, they are not included in the above figures.

While I am on my feet if I may I should like to make a correction on page 105 of the minutes of proceedings and evidence, No. 4, dated Monday, March 9, 1959. At line 11 the report reads: "has no status before this committee". This should read "has no status before the Commission".

The CHAIRMAN: Thank you, Mr. Mutch. Is there any discussion arising out of the statements?

We will proceed to the presentations before us this morning; but before we do the hon. Mr. Brooks, the minister, is with us. I would like to present him to the committee at this time, and also, of course, to our visitors.

Hon. ALFRED BROOKS (*Minister of Veterans Affairs*): I do not know that I need be presented to this committee because I have been here a number of times. I am very happy to be here this morning, particularly because we have with us the Canadian Legion and the Canadian Corps, both of which are presenting briefs.

I might say, as you will observe, that the attendance in the committee this morning is not as high as it would otherwise be because Monday morning is the morning when the members come in a little late. Our committee is a very popular one. We already have had quite a number of visitors here from the different veterans organizations. We have had the amputees, the Hong Kong veterans, the blind pensioners, and now we have the Canadian Legion and the Canadian Corps. Others will be coming later.

I wish particularly to welcome at this time the two groups here this morning. It is not the first time I have seen them at meetings of this kind. I do not know just how many times I have seen the Canadian Legion and the Canadian Corps before veterans committees.

I wish to say that we all realize how much we owe to these veterans organizations for the advice they give us. This advice, as I know from wide experience, is not always followed; some of it is and some of it is not. However, it is always sincere and much of it is very good. In the early days after the war, the veterans committees were very, very busy—and naturally so when you have nearly a million men to make provision for. Some 23 acts were before the committees, and these had to be considered very, very carefully. In those days the Canadian Legion and the other veterans organizations were of great help to our veterans committees.

In Veterans Affairs, we thought, when the veterans charter was passed, that most of the work was done; but as years go on amendments have to be made to the acts and we have to keep up with the times and changing conditions. I have realized that veterans' work is something like women's work; it is never done.

We are indeed pleased to see these veterans organizations here this morning. I always seem to have an excuse to make for leaving, and I do not like it at all. However, the cabinet is meeting at 10 o'clock this morning and I begged off in order to come here. I will have to go back later.

I have heard the Legion's brief on two occasions. I know they will excuse me if I leave while they are presenting it to the committee.

The Legion presented its brief to the government last November and, at that time, we promised we would give it very careful attention. This the government is doing. They also presented their brief to me in my office. The officials of the department went over it very carefully with the members of the Legion staff. As the Chairman knows, I sent him a letter, I think in February, commenting on the different recommendations.

As I stated on previous occasions, it is the intention of the Department of Veterans Affairs to carefully review all veterans legislation. This cannot be done at one sitting of parliament. We have already had a number of acts before us. This year two bills have been presented to the house. We expect to have a third very important and lengthy bill, amendment to the Veterans Land Act which will take considerable time in this committee and also, I expect, in the house.

The Legion's brief makes certain recommendations regarding changes in this Act. These recommendations will be before the committee when it is submitted to you. I will not anticipate for you the other recommendations in the Legion's brief. They mostly, I think, have to do with the Pension Act and the War Veterans Allowance Act.

I might tell you, as I told the president of the Canadian Legion when he visited our office, that it is not our intention to make any amendments this year to the Pension Act. We plan to have it before us at the next session of parliament, at which time we will go very thoroughly into all phases of it.

I do not think there is anything further I have to say this morning. I am very sorry my good friend Major General Gunn is not here with us. We miss him very much. He has attended a good many of our meetings. I told you (Mr. Harpham) I was afraid I might not be able to hear your presentation but you said you hoped I would read it. I want to assure you I will not only read it once but probably a number of times, and that I will digest it and pick out all the good things in it. I can assure you of that. Also, if I can get back while you are presenting your brief, I will do so. I welcome all of you here both from the Canadian Legion and the Canadian Corps. I know this committee will give your briefs serious consideration.

Thank you, gentlemen.

Mr. WEICHEL: Mr. Chairman, I might add that I think many of the members who are not here this morning are western members who have gone home for the Easter holidays.

Mr. HERRIDGE: I had booked my bedroom on the train to go home on Sunday but when I heard these comrades were attending I decided to stay.

Mr. BROOKS: You have always been very faithful in your attendance.

The CHAIRMAN: If there are no further "true confessions" we will proceed with the brief. Our time is limited to two hours today. Therefore the discussion arising from the presentations will be pretty well restricted to points of clarification at this time.

The Canadian Corps have indicated a willingness, if we wish, to carry on the discussion further at a later date. The Legion, of course, always have representatives in the city of Ottawa. I think the committee understands the special problem we have today. It is private member's day in the House of Commons and most of us have other duties in the house this afternoon.

Without further ado, the Canadian Corps will present their brief first. Mr. Stanley Harpham, the president, will read the brief. Everyone has a copy I believe.

Mr. Stanley HARPHAM: (*President, Canadian Corps Association, Dominion Command*): Mr. Chairman, and gentlemen: may I take this opportunity to thank you, Mr. Dinsdale, and the members of your committee, for your kindness in permitting Mr. Heesaker and myself to be here today. I must apologize for not being here a week ago when you originally scheduled the Canadian Corps Association's presentation, but an important previous business commitment made it impossible.

Resolution No. 1

Be it resolved that the war veterans allowance be increased to the extent of 33⅓% (thirty-three and one third per cent), for married and single recipients.

Resolution No. 2

Be it resolved that the present war veterans allowance' permissible income of male and female recipients and orphans, be increased as follows: for single recipients from $1,080.00 per annum to $1,440.00; for married recipients from $1,740.00 per annum to $2,000.00.

I would like to make one comment before going on to the next resolution.

During the past 10 years in addition to my work for the Canadian Corps Association I served as a trustee of the Ontario canteen fund of World War I. May I say that 75 per cent of the applications for assistance that we receive

come from recipients of war veterans allowance, and they are directed to us by the Department of Veterans Affairs in a great many cases.

In our opinion there is no latitude under the present war veterans allowance for any unforeseen emergencies, such as the normal replacement of household goods and services as they arise, for major household repairs, or for the higher education of dependent children.

May I cite a few typical cases coming to our attention in the Ontario canteen fund almost daily. I would like to cite one or two. I do not want to take up a lot of time.

There was an application from a man at Ingleside, Ontario involving a hospital account for $371. We turned that over to the municipality. There was also a doctor's bill for $188. The Ontario canteen fund paid that bill.

Another was the case of a widow receiving $90 a month. She is paying $25 monthly on a new gas furnace. Hydro threatened to suspend service if her house was not rewired at once. That work was done and it cost $175. The Ontario canteen fund authorized the rewiring and paid the account.

Another case was that of the wife of a Michipicoten Harbour veteran who was found to be in need of an eye operation. The canteen fund underwrote that operation.

Our good friends from the Legion are here today. Here is a case of a chap in the Canadian Legion. He incurred a bank loan for $900 when conducting a small insurance business. He was taken seriously ill and it was diagnosed as advanced pulmonary tuberculosis. He was forced to give up his business. The bank was pressing him for payment. We went, not to the local manager but to the general manager of the bank, and laid the case on his desk, asking him if he could do anything. He reduced the debt; to 600 dollars, the canteen fund paid $400, and the Canadian Legion contributed $200. The veteran was most appreciative of the assistance that the fund had been able to give him. He said: "This account was the greatest worry to me for many years and was becoming a nightmare. Your job must give you a great deal of pleasure on many occasions."

Another case was that of a veteran who was in active legal practice but was struck down with illness, and was threatened with suspension by the law society if his fees were not paid. We paid his fees. He said: "Your friendly consideration not only helps me but makes me feel better in every way. Again my heartfelt thanks."

I could go on and on with all these cases where the Ontario canteen fund has undertaken to give real assistance to those on war veterans allowance, when there was nothing that could be done out of the assistance fund for a great many of them.

I would like to draw your attention, gentlemen, to the annual report of the poppy fund in Toronto. Looking over the report you will find that 1,179 cases were referred to the poppy fund by the Department of Veterans Affairs. Again, these were not possible of assistance under the war veterans allowance.

Resolution No. 3

Be it resolved that the Pensionable Award granted to the disability pensioner, under the jurisdiction of the Canadian Pension Commission, be increased to the extent of 33⅓% (thirty-three and one third per cent), across the board.

I was reading what happened when the war amputees were here. We do endorse their application. We feel that the pensioner is not in as good position financially as the unskilled labourer. His standard of living is not as good.

We read with considerable interest the discussion in your proceedings on March 19 regarding sections 20, 21, and 22 of the Pension Act. Mr. Lalonde

will probably recall that when we were here in 1957 and appeared before Mr. Lapointe, sections 20, 21 and 22 came up, and also the recommendation regarding the widow's pension under the Pension Act, which was to be exempt from succession duty.

It was our understanding that that wording would be written in when this new succession duties act was being drafted, and that those recommendations regarding sections 20, 21 and 22 and our recommendation number five would be taken care of. I do not know if you will recall that, Mr. Lalonde?

Mr. LUCIEN LALONDE (*Deputy Minister of Veterans Affairs*): That would be a matter for the pension commission, not for me, Mr. Chairman.

Mr. HARPHAM: I meant the chairman of the pension commission who was there at that time, Brigadier Melville. He is not here now. I wondered if we were definitely promised that these things would be looked after, and also with respect to our recommendation number five, and that the necessary legislation would be passed to provide that where a pension is payable to a widow under the Pension Act, the same would be exempt from consideration under the Dominion Succession Duty Act.

As I read from a brief respecting the Dominion Succession Duty Act which is chapter 89 Revised Statutes of Canada, 1952:

> The present practice under the Succession Duty Act is such that the capitalized value of the widow's pension is taken into consideration as to whether or not the whole estate of the pensioner is subject to succession duties. Parliament in its wisdom and gratitude has seen fit to make it the law that pensions payable under the Pension Act are not subject to income tax. We feel that it is the wish of parliament and the people of Canada that the same principle be applied under the Succession Duty Act.

Resolution No. 4

Whereas since 1947, representations have been made requesting compensation for maltreatment and forced slave labour by former prisoners-of-war held in Japanese prison camps.

When the Hong Kong pensioners were here, we sent a telegram endorsing their brief. We must not forget the horror and hardships which these men suffered. Canada can afford to be generous with those men who suffered so much from a cruel and merciless enemy. Let us not forget the circumstances.

These men went out on very short notice and in order to bring the regiments up to strength. Chaps were brought out from Borden who had had little basic training. The equipment did not go with them when they went, and they had little time in which to acclimatize themselves before the enemy was upon them.

I submit that the Hong Kong veterans deserve all the attention that you can give them, and we should keep in mind that in the United States the veterans there have received $1 for maltreatment, and $1.50 for slave labour, while so far nothing has been granted in Canada for forced slave labour.

And whereas the Prime Minister, the Secretary of State, the Minister of Finance and the Minister of Veterans Affairs, are fully aware of these claims, but no action has been taken to finalize payment.

And whereas the war claims commission in Ottawa is still holding approximately five million dollars enemy war assets and any payment made to former prisoners-of-war would not be at the expense of the Canadian government but paid out of enemy assets;

Therefore be it resolved that the cabinet ministers concerned be requested to take immediate action in this matter and that the war claims regulations be amended to permit full payment of a $1.50 per day, compensation for forced

slave labour for every day Canadian soldiers were held in prison camp by the Japanese, thus complying with international law and comparing favourably with action taken in other allied nations on the payment of war claims.

Resolution No. 5

Be it resolved that War Veterans Allowance Act be amended to grant eligibility to ex-service women, who served in World War II, of single status or widowed, without domestic support, or self maintenance who, although with every willingness volunteered for theatre of war service, were not called to such service, and now have reached the age of 55 years.

Comment

A very small percentage of women who served in the armed forces of Canada were assigned to overseas service in World War II, although *all* offered unlimited service. There was a marked difference between the service man in World War II proceeding overseas, who had no choice, providing he was physically fit, and the system concerning overseas service for women. A quota was established for service women and very few were so assigned.

War veterans allowance district authorities could examine each applicant's circumstances in respect of the need, according to the regulations. Perhaps Mr. Heesaker will take over for a while.

Mr. E. V. HEESAKER (*Dominion Treasurer, Canadian Corps Association, Dominion Command*): Mr. Chairman and gentlemen, with your permission I would like to say just one word about resolution No. 4 before I proceed with resolution No. 5.

The veterans charter, states in part: Canada has brought forth legislation for veterans which is surpassed by no other nation. Let us not have any other nation surpassing anything that Canada can do for the Hong Kong veterans.

Resolution No. 6

Be it resolved that the disability pension being paid at time of death of the pensioner be continued to the widow until her death or remarriage, and the children while they are attending school, in cases where they are not otherwise provided for under the Pension Act.

Comments

With reference to the childless dependent of a deceased pensioner she does not receive any part of such pension, if the award, in percentage is less than 50 per cent. Why this provision in the regulations was created is answerable only by the Department of Veterans Affairs, or the Canadian Pension Commission. The dependent under the age of 55, female, must depend upon the marketable condition of employment, which during the past two years has been changing constantly. If she is of the age ceiling of war veterans allowance (55), a question of robbing "Peter to pay Paul" arises from one department treasury to another of the government. We also bring to your attention that the pensioner would not have been awarded the pension had not the commission judged such as awardable.

We therefore recommend that an amendment to the Canadian Pension Act be legislated whereby the pension of the deceased pensioner shall be awarded, transferred or granted to the dependent until death or re-marriage.

Resolution No. 7

Be it resolved that the Department of National Defence, direct or arrange with the Department of Veterans Affairs, to grant treatment longer than a period of one year for ex-permanent forces' personnel, and until the disability has been completely treated.

Comments

This resolution results from an enquiry to the Minister of National Defence in February, 1958, requesting that post-discharge treatment where required by terminated members of the ex-permanent forces of Canada, should be extended for more than one year after discharge—one year now being the limit of time set by National Defence regulations.

If any disability occurs during the service and a pensionable award is granted by the Canadian Pension Commission then the treatment is granted indefinitely.

We recommend that where treatment is indicated, without pensionable award, by the Department of Veterans Affairs, and so conveyed to the Department of National Defence, the Department of National Defence should be in full agreement.

Mr. HEESAKER: To continue:

Resolution No. 8

Be it resolved that an identification card be issued to every disability pensioner, and war veterans allowance recipient, such card to contain only the pertinent particulars required for identification.

Comments

The need has been prevalent through the years for an identification card to be issued to all "wards" of the federal government, irrespective of the fear by the government of abuse, loss or illegal possession. The disability pensioner, war veterans allowance recipient and old age security pensioner, become "wards" of the government when maintained financially. For administrative purposes he or she must identify themselves when appearing for an interview and also constantly when cashing their pension cheques, and the value of such identification card would be extensive.

Several cases have come to the attention of the Canadian corps association where the pensioner has been involved in an accident, heart attack, lapse of memory, etc. which has resulted in a search for the next of kin. Also we of the Canadian corps have noted that when such a pensioner presents his or her cheque for cashing at the bank many are confronted with almost abuse when they cannot show the type of identification which the bank requires when cashing cheques for those without bank accounts in the branch cashing the cheque. All this could be avoided if each pensioner was issued a government identification card.

The residents in the homes for the aged follow the practice of having the identification sewn in the clothing of each resident, therefore observing and protecting the aged in that manner.

The percentage of loss of identification cards has been found to be less than 1 per cent per annum in connection with those who already carry such cards, i.e. the blind, etc.

The Canadian corps association strongly recommends that identification cards be issued by the government to war veterans allowance recipients, disability pensioners and old age security pensioners.

Mr. Harpham will take over for a moment now.

Mr. HARPHAM: Continuing with the presentation:

Resolution No. 9

Be it resolved that the section of the Canadian Pension Commission Act dealing with the provision of granting an allowance to parents who have lost a son or daughter in action, during active service, in its qualifications of need creating a means test, be revised and reviewed, to the extent of removing such means test entirely.

Comments

The loss of a son or daughter, or other dependent, of the serving service man or woman, during any conflict of war, is the utmost sacrifice known, yet the Canadian pension commission will award, because of that loss, for example to the widow, with or without children, 100 per cent award, without any means test as to excess earnings above the degree of pension, and yet levy a "means test" upon the parent or parents of a son or daughter, who has given the supreme sacrifice in a similar manner, and granting to the parent where the discretion of the commission has been favourable, a less award, and none to the parent where upon the investigation by the D.V.A. reveals an income which in their opinion, (the D.V.A.'s), is adequate.

We therefore recommend that section 34, subsections 3 and 4, which contains the "means test" and decrees "at the discretion of the commission", shall be forthwith absolved, and the dependent parent or parents be treated in the same favourable extent as the wife who is subjected to no means test for the same comparable loss.

Gentlemen, I recall in 1944 when the government was dealing with the question of gratuities for veterans of the second world war it was going to be laid down at that time that gratuities of men killed in action, that is single men who had no dependents, should revert to the treasury. At that time our association protested very strongly. I have a copy of an article which we submitted to the Canadian Press at that time. This article drew tremendous comment from the Canadian people. Here were these young lads, many of them brought up during the depression. Their parents had educated them, and possibly they were led to believe that in later life these young men would be of some assistance to them. They were killed in action and the government of Canada proceeded to take the gratuity away. Now we find that some of these people find themselves in need. We do not think there should be any means test of any kind regarding the parents of these lads who were killed in action.

Mr. HEESAKER: To continue:

Resolution No. 10

Resolved that, section 30, subsection 8 of the War Veterans Allowance Act, which defines the meaning of "actual war" and the "theatre" of such, be amended, in so far as paragraph (b) (i) in the case of world war allied veterans who served in the army or air force and, where stationed for the same period, the royal navy; to conform with, in content and application subsection (b) of section 30 which reads: "Who served in the United Kingdom during World War I for at least three hundred and sixty-five days prior to the 12th day of November, 1918.

Comments

Owing to British army order 391, of the year 1922, the allied veteran who served with His Majesty's Forces during World War I in the zones so

described in subsection 8 (b) (i and ii) applying to the continents of Asia or Africa, in particular the North West Frontiers of India and Afghanistan, is not eligible to receive war veterans allowance because the zones, as mentioned, were not considered by that army order and are not so considered by the war veterans allowance district authorities and board to be "an actual theatre of war", as defined in army order 391, 1922, issued by the British war office, London, England. We therefore, recommend that the veterans now domiciled in Canada for at least ten years, who served during World War I in the navy, army and air force in the territory so named, heretofore and above mentioned, become eligible to the same provisions as contained in section 3, subsection (b) of section 30 of the War Veterans Allowance Act, the definition as contained in the body of the resolution.

As of November 1, 1958, the Canadian veteran who was stationed in England for a period of not less than 365 days, is now entitled to war vet's allowance. We therefore recommend that the allied veteran, who was stationed on the north west frontiers of India and Afghanistan, and 365 days in England, be granted the same benefit as the Canadian veteran.

Mr. HARPHAM: Continuing the brief:

Resolution No. 11

Be it resolved that referring to section 70 of the Canadian Pension Act, that the Canadian corps association make strong representation to the Canadian Pension Commission through the standing Committee on Veterans Affairs, re the benefit of doubt clause, to the end that the benefits intended by this very important section be applied in every case coming before the pension commission.

Comments

Section 70 of the Canadian Pension Act states that on any application for pension, the applicant is entitled to the benefit of the doubt, which means that it is not necessary for him to adduce conclusive proof of his right to the pension applied for.

The Canadian corps association has discovered in two specific instances where the benefit of the doubt could have been given without the necessity of a second, third and appeal hearing of the cases in question, by the adjudicating body of the Canadian Pension Commission, whose opinion, despite the right of the applicant, has prevailed in awarding a decision. This body, according to the section, shall draw from all the circumstances of the case, the evidence adduced, and medical opinions, all reasonable inferences and presumptions, in favour of the applicant. Invariably the condition of the applicants case is ruled upon as pre-enlistment cause, or not attributable to service, yet a complication later arising as a result of his service, which became apparent to the independent examining doctor, has not received the benefit of the doubt.

We therefore recommend a more consistent application of the benefit of the doubt than has heretofore been applied.

I would like to add that one of the many activities of the canteen fund is providing independent medical opinion in regard to applicants applying for pensions or review of pensions. During the past year we provided funds for sixteen such cases and some of them were successful. May we remind the Canadian pension commission that some of these cases had been rejected prior to these further applications being submitted, based on independent medical opinions. Gentlemen, we have had some success in doing this and we wonder whether that is actually the function of the canteen fund. In other words, we can go to a doctor on the advice of your advocates and secure information which we think will help to win these cases. We have been very successful on some of them.

Mr. HEESAKER: Continuing with the brief:

Resolution No. 12

Be it resolved that an amendment to section 6-1, subsection (d) of the War Veterans Allowance Act, relating to exempt income be considered in favour of exempting as income, the first $50 of such qualified pensions as industrial, disability and superannuation, providing the pension does not exceed $100 per month.

Comments

Section 6—1 sub-section D exempts casual earnings, amongst exempt income, such earnings having a ceiling of $50 a month. The percentage of recipients in the male category of war veterans allowance engaged in working casually are minor in number, nevertheless the ceiling is established. Disability, industrial and superannuation pensions constitute an earned award, the two latter type being contributable during the working life of the applicant or recipient. We are not unmindful of the fact that war veterans allowance is paid solely by the government, but, again, the earned value of the three types of pension in question, should not, we feel, be a complete deduction from the maximum of war veterans allowance. Therefore, we strongly recommend, that the first $50 of disability, industrial or superannuation pension shall be exempt from income, under the aforementioned section of the War Veterans Allowance Act, and that such section should be so amended.

Mr. HARPHAM: To continue:

Resolution No. 13

Be it resolved that the amount applied, according to the regulations of the war veterans assistance fund, should be reviewed and based on a determined sliding scale, where the circumstances warrant, particularly to the incapacitated widow, from the sum of $120 to $500 per annum.

The reason we want this is that we are dealing with Ontario, and I can speak only of that. We are dealing with a number of widows who are living on veterans allowance, and there is not anything in there to provide them with some of the things required in their homes,—for example, something in the way of appliances, gas furnaces, heating units and things of that kind. As I see it, there is nothing that can be done unless we do something to raise this assistance fund to assist that kind of people.

The maximum allowed to any recipient by the district authority, from the assistance fund is $120 per annum, payable usually on a monthly basis. This the Canadian corps association has found to be inadequate in the individual cases of need, particularly amongst the widow recipients, who do not receive the same hospital and medical benefits as the veteran war veterans allowance recipient. In addition, the cost of provincial hospital coverage, enacted in Ontario for example, on January 1, 1959, must be paid on an individual basis by such widow if she wishes that coverage, amounting to $2.10 per month minimum, thus actually reducing the maximum of $70 a month to $67.90 per month, whether any grant is made from the assistance fund or not. Also the married veteran war veterans allowance recipient must pay his dependents hospital coverage from his allowance, thus reducing his allowance considerably.

The majority of single status recipients of war veterans allowance are totally dependent upon the maximum of war veterans allowance, which in the respect of medical and hospital expense is creating a severe hardship upon them.

The Canadian corps association therefore recommend, that the ceiling of the assistance fund of $120 per annum, be increased, on a sliding scale, to the

maximum of $500 per annum, to embrace the single recipient, on an individual basis, and all who are now covered under the respective provincial hospital plans, at their own war veterans allowance' expense.

Resolution No. 14

Be it resolved that the standing Committee on Veterans Affairs recommend the amendment of the World War I service requirement for war veterans allowance in order that the first war veterans will qualify on exactly the same basis as the veterans of World War II, abolishing the present requirement of 365 days in the United Kingdom prior to November 12, 1918, for veterans of World War I.

Gentlemen, in 1957 when we appeared before the minister we were assured that something would be done, and it was done; but it was not done as we thought it might be and we feel that there is still some hardship being created, because some of these men did valiant service in England and are being penalized.

The point was raised by the minister, and I thought it was a good one: Did we want those who were conscripted in World War I to become recipients of veterans allowance? I do not think that is the point. However, they served in Britain, the same as the men in World War II, and I think they are entitled to that consideration. Already quite a number of cases have come up of men who were in England less than 12 months and yet did good service to Canada.

Mr. HEESAKER:

Resolution No. 15

Be it resolved that at least three months notice by mail be given to a pensioner prior to dependent children reaching the "ceiling age" of 16 for boys and 17 for girls, and that said notice communicate to the pension recipient that continuance of the child's allowance is permissible if dependent is still going to school upon completion of a special form obtainable from the D.V.A. by the pensioner.

Comments

It has been brought to the attention of the Canadian corps association that pensioners are receiving as little as four days notice of the termination of a dependent child's allowance, and the termination notices does not include any advice that if the child is still in school that allowance will be re-instated upon certification that schooling is being continued.

In the example to hand, had the pensioner not been a member of a Veterans' organization and a reader of Torch Magazine, he doubts if he would have found out that if he applied to the D.V.A. a form was available that he could complete and have certified at his child's school, which would result in the allowance being continued.

As thousands of veterans are unfortunately not members of a national organization, and do not have bulletins and magazines sent to them reviewing veterans' entitlement, we wonder how many pensioners have missed the opportunity of the allowance being re-instated for qualifying dependent children because the Department of Veterans Affairs has not informed the veteran of their possible entitlement by mail at least three months in advance of proposed dependent termination?

Mr. HARPHAM: Mr. Chairman and Gentlemen:—

On behalf of the Canadian Corps Association, Dominion Command, Mr. Heesaker and I wish to express our sincere thanks for your kind and patient hearing of our brief of resolutions to you today.

We appreciate the fact that you are all ex-service men and that you represent Canada at large; you have represented Canada in battle, and you are now occupying an important place in the government of our country.

We will carry back to our organization, very pleasant memories of your considerate reception and the work your committee is doing on veterans affairs.

Thank you, gentlemen.

The CHAIRMAN: Thank you, Mr. Harpham. A good many members of the committee are newcomers to parliament since the recent events of 1957 and 1958, and I am sure they will agree with me that very helpful information has been brought forward in your brief.

The problem of discussion arises here. We have the limitation of time. There is opportunity for brief comments as to how we should proceed on this particular brief and from this point on. Have we any comments?

Mr. HERRIDGE: Mr. Chairman, I suggest that, in order to keep the evidence and the questions in order in the record, we should complete this brief with questions from members of the committee to the witnesses so that we can clear up any points we wish explained.

I suggest that we will have to meet this afternoon in connection with the Legion delegates, because this is too important a matter, in both cases, to hurry over.

The CHAIRMAN: Mr. Herridge, the problem there is that it is private members' day in the House of Commons. If it is necessary to have further discussion, I think the only solution is to have the representatives back at a later time, when we can carry on any necessary discussion.

Mr. HARPHAM: We will be very happy to come back, Mr. Dinsdale. We do not want to hurry. We realize the Canadian Legion have their briefs to present. We have one hour left, and we have had our say. We are quite willing to come back and answer any questions that you would like to direct to us.

Mr. WINKLER: Mr. Chairman, if you are going to consider the suggestion of Mr. Herridge, then I think questions are in order. If not, I would suggest we proceed immediately with the Legion brief and take the balance of the time either by discussion of the brief heard, or the Canadian Legion brief, and call one of the groups back.

Mr. LENNARD: I do not see the advantage of calling men back who have to come to Ottawa. I think probably the committee is at fault in having too much material here, too much ammunition, for this meeting.

I think the corps association should be questioned and finished with before we proceed to hear the Legion brief because, as you yourself have said, the Legion officers are here in Ottawa and it is a different problem for them; they can attend on another occasion, if necessary.

The CHAIRMAN: The problem, as I indicated, Mr. Lennard, is that we have had to juggle dates. The Canadian corps could not appear last week, as was originally scheduled, and we thought we would—

Mr. LENNARD: That was not their fault, was it?

The CHAIRMAN: Yes; they declined.

Mr. LENNARD: I thought we cancelled the meeting.

The CHAIRMAN: No, that was the Thursday meeting. The reason for having the briefs presented this morning was to get the information before us. Both these briefs—I think you have had advance copies of the presentation from the Legion—cover a very wide territory, and if complete discussion is to be allowed it would take more than one day in any case.

We have got to come to some reasonable compromise here. The Canadian corps has expressed their desire to cooperate with us, and we appreciate that

gesture, Mr. Harpham. We have heard Mr. Winkler's suggestion. If it is the wish of the committee, we can now proceed to hear the Legion presentation.

Mr. WEICHEL: Mr. Chairman, I would like to second Mr. Winkler's motion, because I believe that perhaps the Canadian corps could come back easier than the Canadian Legion. I see the Canadian Legion has a large delegation here.

Mr. HERRIDGE: If we hear the Legion brief now, that would be acceptable. But for the sake of the record and the convenience of the Canadian Corps, could we not have two hours this afternoon?

This is private members' day, but it is a resolution on a bill somewhere down in eastern Canada—

Mr. O'LEARY: Very important.

Mr. HERRIDGE: —that is of direct concern to a limited number of members. I am sure that most of us could be here. It is not a subject of national importance.

The CHAIRMAN: Before we interject into the discussion the importance of the private member's bill, can we proceed to hear the Legion presentation?

The Legion is represented by the Dominion President, Mr. Burgess. You have a substantial group of supporters here, Mr. Burgess, and I think perhaps it would be best if you carried out the necessary introductions. I am afraid I would become bogged down half way through.

I should point out to members that you have a representative here from each provincial area and I hope you will go out of your way to meet him and welcome him to the committee when we have concluded our deliberations this morning.

Mr. D. L. BURGESS: (*Dominion President, Canadian Legion*): Mr. Chairman, and members of the committee, as you stated earlier, we are having a conference here in Ottawa and we have representatives from all our ten commands. I think I am being fair in saying that they are the most important cogs in the wheel of the Legion in all the provinces throughout Canada and I would like to introduce them to you, together with the members from the dominion command staff. I am going to ask them to stand when their names are called. I am sure there are members here who must be acquainted with all of them. While you come from the province from which some of these men come, it may be that your seat is not in Regina or Winnipeg or Saint John and you will not have had the privilege of meeting them. You may want to do so.

I will start with our Dominion Secretary, Mr. T. D. Anderson, who has been here before and who is acquainted with most of you. Then there is Mr. "Don" Thompson, the director of the service bureau, Dominion Command; Mr. Murray MacFarlane, also of the service bureau. Going down along the line we have "Norm" Shannon, our public relations officer, and Lorne Manchester, the associate editor of the Legionary.

Then we have Linton MacDonald of Region, Saskatchewan command; "Bob" Blackwell from Winnipeg, Manitoba, Northwestern Ontario command. Behind him is David Fraser of Calgary, Alberta command; Keith Woolley of Montreal, Quebec command; Mr. S. D. Rhodenizer of Saint John, New Brunswick command; Allistair MacKinnon of Halifax, Nova Scotia command. Behind is "Ron." Martin from St. John's, Newfoundland command; "Pat." Biggs from Toronto, Ontario command and "Jimmy" Walker from Charlottetown, Prince Edward Island command. Then there is Duncan MacLennan from Vancouver, B.C. and Northwestern U.S. command, and "Tom" Kines, who is the director of administration at dominion command.

Once again, Mr. Chairman, we thank you for the opportunity to appear before you on this occasion and present our views on certain items of legislation which have been referred to you. It is our view that successive parliamentary committees have down through the years done much to improve

veterans' legislation and therefore the lot of Canada's ex-service men and women. We know that the present committee will add to the good work of its predecessors, and I endorse what Mr. Brooks, the minister, said, that parliamentary committees, special committees of former years, and the standing committee now, have been very popular with veterans.

We have some suggestions to make to you and I have confidence in the thoroughness, understanding and justice with which you will deal with these things. We are very hopeful and expectant, of course, that you will wish to retain the reputation that the minister says you have—and you know what I mean by that.

We would rather you had time to consider these various points, so I am not going to read them all. But I will first deal with the two bills that have been referred to the committee. First there is the bill—

The CHAIRMAN: Mr. Burgess, those have not been before us as yet, so you could—

Mr. BURGESS: From our point of view it would be satisfactory to make our points at this time. These may come up before you at some time when we are not here, and for that reason I thought I would cover them now.

The CHAIRMAN: If that is your wish it will be in order. Then when this committee is actually dealing with the bills we could have you back for further comments at that time.

Mr. BURGESS:

Bill C31—An act to amend the Veterans' Rehabilitation Act

Having carefully considered the terms of Bill C31, we believe that none of the proposals contained therein tend in any way to reduce or abolish any benefits which are now or are likely to become available to veterans. The bill appears only to delete those sections of the Veterans' Rehabilitation Act which are either no longer applicable or which are provided for in other legislation or regulations.

We would ask, however, the assurance of the government that no veteran eligible for and entitled to training benefits under the present Veterans' Rehabilitation Act shall be denied such benefits by reason of the amendments proposed to Bill C31. We have in mind particularly the veterans who may have been confined for many years in a D.V.A. hospital following discharge from the forces and who may not at the termination of his period of hospitalization be pensionable due to war disability. Should such cases arise, and should the veterans concerned seek training, we are of the opinion that the training should be provided. We are not sure that the Department of Veterans' Affairs Act provides for training in such cases at present.

BILL C32—An act to amend the War Services Grants Act

We would like to commend the government for broadening the terms governing the use of re-establishment credits, as provided in this bill. The amendments to the act will be of great benefit to some veterans and their dependents.

We would like to suggest, however, two additional amendments, as follows:

1. That veterans who are still unmarried and have as yet been unable to avail themselves of the use of the credit be now permitted to use the re-establishment credit for the purchase of such items as clothing and personal effects, the payment of medical expenses and the payment of debts incurred for purchase of allowable items which could have been made from the re-establishment credit.

We are convinced that a very large proportion of the re-establishment credit which has not been used to date is credited to unmarried veterans who have been unable to find a use for it within the existing regulations. Also many unfamiliar with the regulations may well have made purchases out of other revenues when, in fact, the credit could have been used.

2. That V.L.A. settlers, particularly those with long periods of overseas service during World War II and the Korean war, be permitted to make use of re-establishment credits after they have fulfilled the terms of their V.L.A. contract.

With regard to the loss of re-establishment credit on the part of those who settle under V.L.A., it should be pointed out that the man with the longest period of overseas service forfeits the most in such cases. We feel that it is not proper that this should be so.

We realize this is something which the minister said would come down in a bill at a later date.

In respect of the brief, when the question of our submission was discussed with you, Mr. Chairman, you will recall you suggested that a general submission might well be placed before this committee for consideration. We accordingly welcome the opportunity to do so at this time.

Pensions is the first item and I recall the minister saying that this bill would be up for amendment next year. Nevertheless, I think we should discuss the brief at this time since pensions are among the most important and lengthy items in our brief and there are several items in connection with it.

The Legion brief presented in November, 1956 asked for a 33⅓ per cent increase in all pensions paid under the Canadian Pension Act. The government, as announced by the Minister of Finance on March 14, 1957 authorized certain increases in disability pensions to become effective July 1, 1957. These varied considerably with the different categories but in no case was there an increase of more than twenty per cent. In our brief we have set forth a table outlining the rates prior to July 1, 1957, the increased rate effective that date, the percentage of the increase granted and the Legion's recommended rate. It is particularly noted that no increase was granted for children.

Since our original submission the wage index has increased from 141.7 in 1955 to 157.6 in 1957. In the light of these facts the increases granted were not adequate and we would ask for an increase of 33⅓ per cent across the board over the 1956 rates.

This request is based on a comparison of pensions and wage increases with wage rates as indicative of the standard of living. We recognize that the term "standard of living" as applied to the population of Canada is a somewhat vague and undefined term, but for the purposes of our discussion we are equating it with the income level of comparable groups.

We have compiled tables which illustrate the manner in which disability pension rates have lagged behind wage rates in the armed forces, the civil service and industry. Exact comparison is impossible because pensions vary with marital status and size of family, factors which, except in the case of the armed forces, have no influence on remuneration received from employment.

Historically, the scale of pensions was related to the common labour market. Some examples from our tables show that this is no longer the case and that pension rates have failed to keep pace with the salaries and wages paid in the forces, the civil service and industry. One good example of this point is found when we look at the position of cleaner and helper, one of the lower paid brackets in the civil service, who received $300 less than a married 100 per cent pensioner in 1920. Today, such a worker receives $510 more. His wages have increased over 223 per cent, the married pensioner's rate only 100 per cent.

The table also shows that a private soldier with sixteen month's service and no previous experience would, if married, now receive $2,928 per annum as compared with $2,400 for a 100 per cent disability married pensioner.

The wage index reflecting the rates paid workers in industry shows that since 1920 the index has risen from 52.3 to 149.4 in 1956, showing an increase of approximately 185 per cent, whilst in the same period the rate for a married 100 per cent pensioner has risen only 100 per cent.

There is no question but that the standard of living as illustrated in these groups has permanently improved. We submit that with due regard to all the difficulties of exact comparison, these figures indicate the necessity of an upward revision of the pension rates. This should be at least 33⅓ per cent over the 1956 rates in order to bring them more into line with the substantial increase in general wage rates in recent years.

The Canadian Legion therefore recommends—

That the rates payable under Schedules "A" and "B" of the Canadian Pension Act, as of June 30, 1957 be increased by 33⅓ per cent.

We have a number of other matters concerning pensions, war veterans allowance, treatment, children of war dead, which we feel are important, and we have set forth our detailed views and recommendations concerning them.

In regard to war veterans' allowance, on pages 27, 28 and 29 you will note that we have reiterated our request for increases in the rates and ceilings. We honestly believe that considering the present standard of living in Canada our requests are modest.

There are two items in connection with treatment provisions on pages 32 and 33. In this connection we urge early action to provide adequate D.V.A. treatment facilities for our Newfoundland veterans.

On pages 33 and 34 we refer to civil service as it affects veterans. We particularly want to stress our request for the continuation of the veterans' preference in the civil service.

The important subject of Veterans' Land Act is dealt with on pages 35 and 36. We believe that the time has now arrived to broaden the excellent services to improve the farming standards of both veterans and civilians. Such a move would most certainly yield rich benefits for Canada.

The Children of War Dead (Educational Assistance) Act is referred to on pages 37 to 40. Our views were stated before the standing parliamentary Committee on Veterans Affairs in August, when this act was under revision. We regret very much that not one of our recommendations was implemented. We hope that the recommendations presented at this time will receive more favourable consideration.

We desire to stress that these matters which we bring before you are of great importance to Canada's veterans and their dependents. We would ask that the committee consider separately each item contained in the brief and we will be glad to have a representative of the Legion present at all times in order to answer questions when the items are under consideration.

One of our officers, the director of the service bureau, will be in Ottawa and will be able to meet at your convenience whenever the committee wishes to sit.

In conclusion we would like to say that according to our understanding of the terms of reference of the standing committee, the committee can make recommendations to the house only on those matters referred to it by the house. We nevertheless feel that a careful study of the brief, which was sent to you in advance, by all members of the committee will ensure that a proportion of the members of parliament are thoroughly familiar with the Canadian Legion's requests on behalf of Canada's veterans.

The CHAIRMAN: Perhaps it would be helpful for the committee if we agreed to have the brief in its entirety printed in the minutes of proceedings and evidence. Mr. Burgess is giving the highlights. Could we agree to have the entire brief included in the minutes?

Agreed.

INTRODUCTION

Mr. Chairman and members of the parliamentary committee: in presenting this brief we do so with a feeling of gratitude, to this and previous committees on Veterans Affairs, for the good work which has been accomplished on behalf of veterans and their dependents by such committees over the years.

We would ask that in considering the problems of Canada's veterans, the committee keep always in mind the all important question of the value of the veteran's dollar in terms of real income. Living costs, including maintenance, clothing and children's education, continue to rise and cannot be adequately met with present allowances.

PENSIONS

1. Increase in rates

The Legion brief presented in November, 1956, asked for a 33⅓ per cent increase in all pensions paid under the Canadian Pension Act. The government, as announced by the Minister of Finance on March 14, 1957, authorized certain increases in disability pensions to become effective 1st July, 1957. These varied considerably with the different categories but in no case was there an increase of more than 20 per cent. The following table outlines the rates:—

	Rate Prior to July 1/57	Rate Effective July 1/57	Percentage Increase Granted	Legion's Recom'd Rate
	$	$	%	$
Single pensioner, 100 per cent disability	125.00	150.00	20	167.00
Additional Pension for wife	45.00	50.00	11.1	60.00
Total pension for married pensioner 100 per cent disability	170.00	200.00	17.6	227.00
Pensioned widow	100.00	115.00	15	133.00
Dependent parent, maximum award	75.00	90.00	20	133.00
Two dependent parents, maximum award	100.00	115.00	15	158.00
1st child	20.00	no change	Nil	27.00
2nd child	15.00	"	Nil	20.00
3rd child	12.00	"	Nil	16.00
Orphaned children (double above rates)	—	"	Nil	—

It will be noted that no increase was granted for children.

Since our original submission the wage index has increased from 141.7 in 1955 to 157.6 in 1957. In the light of these facts the increases granted were not adequate and we would ask for an increase of 33⅓ per cent across the board over the 1956 rates.

This request is based on a comparison of pensions and wage increases with wage rates as indicative of the standard of living. We recognize that the term 'standard of living' as applied to the population of Canada is a somewhat

vague and undefined term, but for the purposes of our discussion we are equating it with the income level of comparable groups.

We have compiled the following tables which illustrate the manner in which disability pension rates have lagged behind wage rates in the armed forces, the civil service and industry. Exact comparison is impossible because pensions vary with marital status and size of family, factors which, except in the case of the armed forces, have no influence on remuneration received from employment.

A REVIEW OF DISABILITY PENSIONS AND OTHER RELATED RATES—W.W. I TO 1957

	1920	1939	1944	1947	1949	1951	1953	1955	1956	1957
DISABILITY PENSIONS (100%)										
Single Pensioner.	900	900	900	1128	1128	1500	1500	1500	1500	1800
Married Pensioner	1200	1200	1200	1500	1500	2040	2040	2040	2040	2400
Widow.....	720	720	720	900	900	1200	1200	1200	1200	1380
ARMY PAY AND SUBSISTENCE (Private Soldier)										
Initial										
Single.....	930.75	784.75	930.75	1344	1464	1776	1836	1836	1932	1980
Married.....	1130.75	1204.75	1377.15	1584	1824	2136	2196	2556	2652	2700
CIVIL SERVICE PAY										
Customs Guard (Max.).....	1260.00	1500.00	1620.00	1980	2220	2700	2910	2910	3210	3360
Cleaner and Helper (Max.).	900.00	1140.00	1200.00	1620	1920	2400	2580	2580	2760	2910
WAGE INDEX										
(Industrial Composite)	1920	1939	1944	1947	1949	1951	1953	1955	1956	1957
(1949—100).....	52.3	48.9	67.4	84.1	100.0	115.5	133.4	141.7	149.4	157.6

Historically, the scale of pensions was related to the common labour market. Some examples from the above tables show that this is no longer the case and that pension rates have failed to keep pace with the salaries and wages paid in the forces, the civil service and industry:—

(1) Cleaner and helper, one of the lower paid brackets in the Civil Service received $300 less than a married 100 per cent pensioner in 1920. Today such a worker receives $510 more. His wages have increased over 223 per cent, the married pensioner's rate only 100 per cent.

(2) It should be noted that the rates shown on the chart for a private soldier are those which apply to an untrained recruit on entry. He may after 4 months' service, if he reaches the required standard of

competency, get a further $72 per annum; after an additional 12 months he may get another $156 per annum. These increases are for the untrained soldier but do not take into account group pay for which tradesmen may be eligible. Thus a private soldier with sixteen months' service and no previous experience would, if married, get $2,928 per annum as compared with $2,400 for a 100 per cent disability married pensioner.

(3) The wage index reflecting the rates paid workers in industry (logging, mining, manufacturing, trade, transportation, construction, light and power and personal services) shows that since 1920 the index has risen from 52.3 to 149.4 in 1956, which is an increase of approximately 185 per cent, whilst in the same period the rate for a married 100 per cent pensioner has risen only 100 per cent.

There is no question but that the standard of living as illustrated in these groups has permanently improved. We submit that with due regard to all the difficulties of exact comparison, these figures indicate the necessity of an upward revision of the pension rates. This should be at least 33⅓ per cent over the 1956 rates in order to bring them more into line with the substantial increase in general wage rates in recent years.

The Canadian Legion therefore recommends—

That the rates payable under schedules "A" and "B" of the Canadian Pension Act as of June 30, 1957, be increased by 33⅓ per cent.

2. Revised rates for dependent parents

Dependent parents did not benefit to any extent by the revision of pension rates in 1951. Previous to that date a widow, for example, received $75 a month; a dependent widowed mother could receive up to $75 a month. After the revision the widow received $100—the maximum for the dependent widowed mother was still $75.

After the revision in 1957 the widow received $115 and the dependent parent $90. We can see no reason for this discrimination.

The Canadian Legion therefore recommends—

That dependent parents' pension be restored to its former position whereby the rate for one parent was equal to the rate for a widow, with a more adequate additional amount than at present provided where there are two dependent parents.

3. Increase in pension to certain dependent parents—sections 38 (2) and (7)

At the present time the act provides that in cases where pension is being paid on account of a widow and children the dependent parent is limited to $40 a month instead of the usual $90. It has in recent years been the policy of the Pension Commission to grant the dependent parent the maximum rate when it has been established that the widow is remarried and providing that there are no children on whose behalf pension is being paid. If there is even one child still drawing pension, however, the dependent parent is restricted to the $40 rate.

The Legion feels, in many instances, the dependent parent is able to live with the widow and children, but in the event of the widow remarrying, the dependent parent may be placed in a very difficult position and forced to find new accommodation which she can hardly do on $40 a month. An increase to the full rate of a dependent parent would be of great assistance to those so affected.

The Canadian Legion therefore recommends—

That section 38 of the Pension Act be amended so that a dependent parent of a deceased member of the forces would become eligible for the maximum rate on the remarriage of the pensioned widow, even though pension is still being paid on account of a child or children of the deceased service man.

4. Dependent parents' pension—effective date

We realize that a certain period must elapse between the receipt of an application for dependent parents' pension and the actual decision awarding such a pension. We cannot, however, understand why the applicant must lose out when this period exceeds three months. The Pension Commission has refused to make the award of a dependent parents' pension or an increase in such an award already in payment retroactive more than three months, regardless of the length of delay.

The Canadian Legion therefore recommends—

That dependent parents' pension and increases in such pensions, when granted, be effective from the date of application.

5. Special problems involving Newfoundland veterans

It is quite clear that when the terms of union between Newfoundland and Canada were being negotiated the broad principle was accepted that Newfoundland veterans should be placed in a position of absolute equality with Canadian veterans. This is clearly demonstrated by section 38 of the terms of union which state:—

> Canada will make available to Newfoundland veterans the following benefits, on the same basis as they are from time to time available to Canadian veterans, as if Newfoundland veterans had served in His Majesty's Canadian forces.

In the Veterans' Rehabilitation Act and in the War Veterans Allowance Act this broad principle is completely recognized and provided for as the following excerpts from these acts show:—

Veterans Rehabilitation Act—

"Section 6(1) For the purposes of sections 7, 8, 9 and 11, a Newfoundland veteran who has been discharged shall be deemed to be a veteran as defined in section 2.

(2) In this section the expression 'Newfoundland Veteran' means a person who served on active service,

(*a*) in any of the naval or army forces of Newfoundland or having been recruited in Newfoundland in any of the naval, army, or air forces raised in Newfoundland by or on behalf of the United Kingdom; or

(*b*) in any other naval, army or air forces of His Majesty and at the time of his enlistment therein was domiciled in Newfoundland; or

(c) in any of the naval, army or air forces of the nations allied with His Majesty in active operations against the enemy in World War II, if he was domiciled in Newfoundland at the time of his enlistment therein and was domiciled and resident in Newfoundland within two years from the date of his discharge therefrom or the 8th day of May, 1945, whichever is the later."

War Veterans Allowance Act—

"Section 30(11) (a) for the purposes of this act,

(*a*) the expression 'Canadian forces' includes any forces raised in Newfoundland and 'domicile in Canada' and 'residence in Canada' include respectively domicile and residence in Newfoundland, whether before or after the union of Newfoundland with Canada.

Under the Canadian Pension Act, however, the situation is somewhat different. The pertinent subsections of the Pension Act regarding the status of these Newfoundland veterans reads as follows:—

Canadian Pension Act—

"Section 13(5) for the purposes of sections 50, 51 and 52, domicile in Newfoundland shall be deemed to be domicile in Canada.

(6) A member of the naval or military forces of Newfoundland in World War I or World War II shall be deemed to be a member of the forces for the purposes of this section.

(7) A British subject resident and domiciled in Newfoundland at the time of enlistment who served in the naval, army or air forces of His Majesty or in any of the naval, army or air forces of any of the countries allied with His Majesty during World War II shall be deemed to be a member of the forces for the purposes of this section if the disability in respect of which the application is made is not pensionable by virtue of subsection (5) or (6)."

Although the majority of Newfoundland World War II veterans served in the forces of the United Kingdom, they served in units recruited and raised in Newfoundland with a pay supplementation by the Newfoundland government. Their identity was recognized and maintained, as far as practical, by grouping them in units such as the 59 (Newfoundland) Regiment, R.A., the 166 (Newfoundland) Regiment R.A., and the 125 (Newfoundland) Squadron R.A.F.

The present interpretation of section 13, subsections (5), (6) and (7) of the Pension Act pertaining to the status of Newfoundland veterans, discloses a departure from the broad principle of absolute equality as the following situations illustrate:—

(i) The present supplementary provisions of the Canadian Pension Act fail to provide complete coverage even for those who, in the main, qualify for supplementation. Because of this a pensioner, or dependent, in receipt of supplementation who subsequently takes up residence outside of Canada loses the supplementation and reverts to British rates. The result is a harsh and discriminating situation in that a man wounded in action whose claim was granted by the British and supplemented by the Canadian Pension Commission loses the supplement if he leaves Canada. The same thing would be true as far as his widow is concerned. On the other hand, a man who did not leave Newfoundland during his service, or who was denied pension by the British, establishes his claim directly or by virtue of section 13(7), receives pension at Canadian rates as of right and can go anywhere in the world without loss. The same benefits are extended to his widow and dependents.

(ii) A veteran who is granted a British award but assessed by the British at nil cannot benefit from the supplementary sections even though, by Canadian standards, he might have an assessable degree of disability. Because the British did not reject his claim he cannot make use of section 13(7) even though his claim might easily be established

under Canadian law and assessed under the Canadian table of disabilities. When we realize that had the British rejected his claim he might have been better off, this also appears to be a grossly unfair situation that the legislators could not have foreseen in 1949.

(iii) The time spent by the applicant in waiting for the British decision is time lost when it comes to benefiting from either an award through 13(7) or supplementation if the British claim is granted.

It is apparent from the above that these Newfoundland veterans and dependents are not receiving the same consideration under the Pension Act that they receive under other legislation.

The Canadian Legion therefore recommends—

That a change be made in the Pension Act to make clear the status of these Newfoundland veterans in accordance with the spirit of the negotiations leading up to the terms of union and with the intent of the legislators as reflected in the other legislation quoted above.

6. Supplementation to Canadian rates

Sections 50, 51 and 52 of the Canadian Pension Act provide for supplementation to Canadian rate of benefits granted by the United Kingdom and other allied governments in respect of service in their forces by Canadians. The full intent of these sections, however, does not seem to be met. There are some cases where an applicant for pension, because a difference exists between British Canadian or other allied countries in pension legislation, is denied a pension by the country he served and, therefore, cannot get a Canadian supplementation. If his claim were judged purely by Canadian standards, because of our insurance principle, and because of section 13(1)(c), the claim would in many cases be granted.

Under the provisions of sections 50, 51, 52 and 53 of the act, the commission requires that a pensioner who has domiciliary or residential qualifications must be in receipt of a gratuity or disability pension from the government of the country with which he served before he can be considered for Canadian rates of pension. Thus, in the processing of claims from such veterans for pension payable by the Canadian Pension Commission, we have encountered many instances of disabled veterans who are unable to establish entitlement to pension which they would have had no difficulty in securing had they been considered as ordinary Canadian veterans.

The Canadian Legion therefore recommends—

That those veterans with Canadian domicile and residence prior to service with the United Kingdom or other allied governments (defined in sections 50, 51 and 52 of the Canadian Pension Act) be brought within the provisions of section 13 of the act.

7. Retroactive awards (Section 31)

We would advocate that it be made mandatory that when a decision is given favourable to the veteran, pension will be paid as of date of application. At present this is a matter which is left to the discretion of the Canadian Pension Commission, but section 31(1) of the act limits the discretion to a maximum of 12 months. Section 31(2) permits an additional six months when hardship and distress would otherwise occur, and section 31(3) permits an additional 18 months' pension where there are administrative delays beyond the applicant's control.

For a number of years after World War I, pensions when granted became retroactive to the appearance of the disability or sometimes the date of discharge. As a result some awards involved large retroactive payments and

it was argued that this fact made the commission extremely reluctant to grant the application. To do away with this psychological barrier a practical injustice was permitted in order to secure a more unbiased consideration of the merits of the applicant's claim without being unduly influenced by the financial consequences of a favourable decision.

Experience, however, has shown that there are many cases of delay beyond the applicant's control which often result, under present regulations, in both injustice and hardship. We believe that the adoption of our recommendation will go a long way to rectify these abuses.

The reasonableness of this request should be apparent. We have repeatedly presented our views on this matter. We had hoped that when the Pension Act was last amended the present unjust situation would be rectified.

Present regulations make no provision whatever towards meeting cases of obvious injustice, where through error, negligence or other cause, utterly beyond the control of the applicant pension is unduly delayed.

Furthermore, there are many cases which by their very nature lend themselves to delay. There are cases which are difficult to establish, and which may draw repeated adverse decisions, yet be inherently just cases which are eventually allowed. Whether the case is easy or difficult to establish, if it is just the rights of the applicant are the same, and the obligations of the country are the same, and it is obviously not fair that the applicant should be so heavily penalized because of the difficulty of establishing his right to entitlement. It is not right and just that the state should save money by delay in pension adjudication.

The Canadian Legion therefore recommends—

That all disability pensions when granted become effective from the date of application, but in order to allay fears of excessive awards going back to World War I jeopardizing the chances of the applicant, we append the following saving clause:—"This provision shall not apply to claims granted prior to January 1st, 1946, and no retroactive payments shall be made for a period prior to that date."

8. Debts due to the crown

The Canadian Legion has information indicating that it is the policy of the treasury board—where a veteran is in receipt of pension with respect to disability attributable to military service and the Canadian government has a money claim against the veteran—to authorize the deduction of the amount of such claim from the veteran's disability pension. The Minister of Finance upon receiving such authorization thereupon makes the deduction.

The alleged basis of the above-mentioned procedure is section 95 (1) of the Financial Administration Act, which provides for the crown setting off a debt to it against a debt by the crown to its creditor.

We are confident that parliament did not have veterans' pensions in mind when it enacted section 95 (1) of the Financial Administration Act, and, moreover, that it would not have enacted that section in its present form if it had been informed that the section would be used to deprive veterans of their pension benefits.

We urge that the crown's obligation to make monthly payments under an award of the Pension Commission is not an ordinary debt such as is contemplated by section 95 (1) of the Financial Administration Act. It is something different and of a much higher character. It is a moral obligation of Canada, acknowledged by the nation through its own tribunal, the Canadian Pension Commission, to ensure that the hardship to the pensioner resulting

from his disability incurred in the service of his country shall be minimized. Having assumed that obligation the nation is, in the Legion's view, bound not to disavow it.

Parliament has declared by section 24 (3), formerly section 20 (3) of the Pension Act, that a pension may not be attached. The Canadian Legion says that this is a statutory confirmation of the special character of Canada's obligation to its disabled veterans. It is essentially a debt of honour. Parliament has in effect said and decreed that money payments arising out of that obligation must not be diverted from their purpose, that of ameliorating financial hardship arising out of war disability.

The Legion submits that the Canadian government is bound, if not legally, then morally, by section 24 (3) of the Pension Act.

The Canadian Legion therefore recommends—

That in order to obviate all possibility of future diversion of war pensions appropriate legislation be passed.

9. Conditions not recorded on enlistment

We request that section 13 (1)(a) of the Pension Act be amended so that, where a pension applicant who served in an actual theatre of war is found to have a disability resulting from an injury or a disease not recorded on medical examination made on enlistment or prior thereto, such injury or disease shall be presumed to have occurred or had its inception subsequent to enlistment.

Whether or not a recruit is subjected to the dangers and rigours of military life is determined by government regulation. The government, for the purpose of determining whether the recruit is physically fit and is to be accepted, gives him a medical examination. The nature and extent of such examination is under the sole control of the state. The examination is very comprehensive and rigorous. The findings are recorded. On the basis of such findings the government determines whether the recruit is to be accepted for military service and whether he is to be subjected to conditions of service in a theatre of war. Having full control of the recruiting and the character and place of the recruit's subsequent service, the government should abide, for pension purposes, by its recorded findings in such medical examination, supplemented by actual medical records in existence prior to enlistment. This is not so under section 13 (1)(a). Many war disabled veterans notwithstanding the ameliorating provisions of section 13 (1)(c) undoubtedly are denied pensions which they would receive if the government were to abide by the results of medical examination on enlistment or pre-enlistment medical records. This situation is particularly acute in cases involving mental or nervous conditions. The legion submits that the Pension Act should be changed so that Canada's obligation will be honoured.

The Canadian Legion therefore recommends—

That section 13 (1) (a) of the Pension Act be amended so that, where a pension applicant who served in an actual theatre of war is found to have a disability resulting from an injury or a disease not recorded on medical examination prior to enlistment, such injury or disease shall be presumed to have occurred or had its inception subsequent to enlistment.

10. Marital status under the Canadian Pension Act

There are Canadian pensioners and widows of deceased pensioners who have lost pension rights because of their marital status. In these cases either the man or the woman was married previously and obtained a divorce outside

of Canada which is not recognized under Canadian law. Therefore the second form of marriage is held to be improper by the Canadian Pension Commission which refuses to recognize the wife for purposes of additional pension, and when the man dies it similarly refuses to recognize the widow. In some cases the commission has previously recognized the woman and paid additional pension during the man's lifetime and then after his death discovered the invalid divorce and refused to recognize the widow. The commission has exercised its discretion in some cases but there is evidence that it does not always do so.

There are other instances where a separation has occurred and as a result there is an impediment to marriage creating a situation comparable to an unrecognized divorce.

There are not many of these cases but those that have come to our attention have been tragic. With respect to those that result from an unrecognized divorce there is little doubt but that the parties concerned acted in good faith and felt that they were free to re-marry.

The commission, following a meeting in January, 1955, asked the Legion what it could suggest as a remedy to this problem.

We believe that it could be remedied by a provision similar to section 30 (11) (b) of the War Veterans Allowance Act, but worded so as to take care of the widows also.

Section 30 (11) (b) is as follows:

> "a veteran who
> (i) is residing with a woman with whom he is prohibited from celebrating a marriage by reason of a previous marriage either of such woman or of himself with another person, and
> (ii) shows to the satisfaction of the district authority that he has, for seven years or more, continuously maintained and publicly represented such woman as his wife,
>
> shall be deemed to be married to that woman, and upon the death of the veteran at any time while so deemed to be married, such woman shall be deemed to be his widow."

The Canadian Legion therefore recommends—

That a clause similar to section 30 (11) (b) of the War Veterans Allowance Act be included in the Canadian Pension Act, and further, that this clause be so worded as to provide for the widow.

11. Increase in last illness and burial grant

Notwithstanding a change included in the newly published "Veterans' Burial Regulations" appertaining to disability pensioners we ask that the last illness and burial grant provided in section 35 of the Canadian Pension Act be increased to a figure more in line with present costs.

The Canadian Legion therefore recommends—

That the burial grant be made at least equal to the amount provided in the veterans' burial regulations, and that the amount allowed for last illness be increased to a figure more in keeping with present costs than the $50 now authorized.

12. Children entitled to be maintained—section 26 (4)—Canadian Pension Act

This section of the act reads as follows:—

> "The commission may, in its discretion, award a pension to or in respect of any child entitled in the opinion of the commission to be maintained by the member of the forces in respect of whom pension is claimed."

We have had cases referred to us where a veteran and a woman are living together in an irregular union and children have been born of that union. In view of section 26 (4) quoted above, we do not see how the commission can justifiably contend that the children of such a union are not entitled to be maintained by the member of the forces in respect of whom pension is claimed.

In one instance we submitted documentary proof to the Pension Commission in the form of birth certificates to show that the children are recorded as, and accepted as, the children of the pensioner, yet the commission still refused to grant the additional pension. In one case in particular, the commission has advised us that while they are given discretion to make an award that since the section is not mandatory but permissive "the commission does not exercise its discretion to make an award of additional pension for children born out of wedlock to a living pensioner. It does, however, if it considers that the circumstances warrant an award, exercise this discretion to make an award to such children of a deceased member of the forces whose death was attributable to service."

We have found other cases where the commission has contradicted itself by making an award under this section. They have, however, in recent months consistently refused to alter their above quoted policy.

We believe that section 26 (4) as contained in the act was placed there by the legislators with the intention of assisting pensioners in the maintenance of their children where because of lack of understanding of the law, or for some other reason, the pensioners have re-married or entered into an irregular union and raised families.

The Canadian Legion therefore recommends—

That section 26 (4) of the Canadian Pension Act be amended to read as follows:—

"The commission shall award a pension to or in respect of any children entitled to be maintained by the member of the forces in respect of whom pension is claimed."

13. Benefit of the doubt (section 70)

The Canadian Legion has for some years now been making representations to the Canadian Pension Commission concerning that body's failure to extend the provisions of section 70 of the Canadian Pension Act, commonly referred to as the "benefit of the doubt" clause to all applicants for pension. We have ample evidence that the commission still does not use this section in the manner in which we believe it was intended to be used.

The Canadian Legion therefore recommends—

That the government take action to ensure that the benefit of the doubt as set forth in section 70 of the Pension Act is, in fact, extended to all applicants under that act.

14. Renewal hearing (new conditions)

Under section 60 (4) of the Canadian Pension Act, after there has been an appeal board hearing, World War II and Korean veterans are required to obtain special leave under section 65 (4) to claim entitlement for conditions not ruled on by an appeal board;

The Canadian Legion therefore recommends—

An amendment to the Pension Act to provide for World War II and Korean veterans to claim entitlement by way of renewal hearings on any condition not adversely ruled on by an appeal board.

WAR VETERANS' ALLOWANCE

15. War Veterans' allowance rates

We believe that the married rate of $120 per month, which was first asked for by the Canadian Legion in 1952, is no longer adequate in the light of the steadily rising wages and changing living standards in Canada today.

The effect of increasing costs has been disproportionately great on the W.V.A. dollar. This group of citizens is compelled to pay for goods and services in a market influenced by the many increases in real wages in industry, the armed forces and the government service.

In order, therefore, to ensure that married W.V.A. recipients do not suffer a reduction in their already marginal living standards.

The Canadian Legion therefore recommends—

That the rate payable under the War Veterans' Allowance Act be increased to at least $140 per month married.

16. Ceilings on permissive income

In the field of war veterans' allowance we are particularly concerned about the ceilings on permissive income. Casual earnings presently permitted have done a very great deal to help the W.V.A. recipient who is capable of doing some work. We are, however, still greatly concerned about the individual who is incapable of supplementing his income by casual labour.

An increase in permissible ceiling would permit the disability pensioner, the individual on old age pension, or on small superannuation allowance, to receive a more substantial portion of his war veterans allowance. In the case of the pensioner particularly, his pensioned condition may well be the cause of his inability to augment his income. At the same time, those who have no extra source of income either in pension or superannuation allowance or old age security, could receive greater assistance under the assistance fund. It seems unfair that the men who have laboured through the years and established a small pension or superannuation allowance, which however is not sufficient to maintain them, should be less fortunately situated than the men who have made no such provision but who are able to supplement war veterans allowance by casual earnings.

The Canadian Legion therefore recommends—

That the ceilings on total permissible incomes under the War Veterans' Allowance Act be increased to $1,200 per year for the single recipient and $2,000 for the married recipient.

17 Widows allowance (section 30 (11)(b) War Veterans Allowance Act).

Under the present provisions of section 30 (11)(b), the W.V.A. board only grants widows allowance after the death of the veteran, if he had made application prior to his demise for recognition of the woman with whom he was cohabiting as his wife. As a consequence, many deserving of the allowance are barred. We believe this to be discriminatory against the surviving partner of a couple who could have qualified for war veterans allowance during the lifetime of the veteran but who elected instead to make their own way, despite in many cases, physical handicaps and increasing age.

The Canadian Legion therefore recommends—

That where all other requirements are met, the war veterans allowance board be empowered to declare as eligible widows who would be qualified had the veteran made application during his lifetime.

18. Merchant navy

Our attention has been drawn in the last few months to the desperate plight of former merchant seamen and T.124 agreement veterans who are no longer able to provide for themselves and their families through disablement and/or old age. Many such men, especially in Newfoundland, are suffering largely as a result of their wartime experiences when they were torpedoed, bombed, and forced to live in cramped, unhealthy quarters. Because of the restrictive nature of the Civilian Pensions Act, a few of these men are able to qualify for disability pension. We have instances where a veteran and his wife and several children are existing on approximately $50 per month, made up of family allowances and relief.

Earlier representations for veterans' benefits for merchant seamen have always been primarily concerned with rehabilitation benefits such as re-establishment credits, educational training, etc., rather than with war veterans allowance. We believe, bearing in mind the desperate situation of some of these men who had excellent war service both on the high seas and, in some instances, on the landing beaches, that at this time the arguments advanced against providing any benefits, namely, that they received more pay than members of the armed forces, might be considered balanced out against the rehabilitation benefits that the other veterans received. We believe that these veterans should be granted war veterans allowance so that the country for whom they ran great risks in time of war might not leave them and their families in dire poverty when they are no longer able to provide for themselves.

The Canadian Legion therefore recommends—

That the War Veterans Allowance Act be amended to include these veterans of the merchant navy and T.124 service.

TREATMENT

19. D.V.A. Hospital facilities in Newfoundland

There is immediate need for full D.V.A. hospital facilities in Newfoundland, not only for active treatment of veterans, but also for convalescent and "domiciliary care". The question of convalescence is of special importance when one realizes the difficulties faced by many veterans in Newfoundland, who, after lengthy hospitalization, return to their homes in isolated points, where there are no doctors, no nurses, and no facilities for special diets which are often required.

The Canadian Legion therefore recommends—

That a D.V.A. hospital including convalescent and domiciliary care facilities be provided at St. John's, Newfoundland, as soon as possible.

20. Increase in adjusted Income—Section 13 Treatment Regulations

Section 13 of the veterans treatment regulations sets a figure of adjusted income for veterans of $2,500 per year. This figure has not been increased since 1954.

The Canadian Legion therefore recommends—

That the adjusted income figure be raised from $2,500 to $3,000 per year in the said regulations, and the minimum figure to be raised from $1,080. to $1,200.

CIVIL SERVICE

21. Maintenance of Preference

The Federal Civil Service Act is presently under review and it is anticipated that amendments to the act may result. We believe Canada has benefited

by the veterans' preference in that it tends to ensure that a high percentage of civil servants will be veterans who have already demonstrated their loyalty by their willingness to make great sacrifices in defence of this country. The Canadian Legion is strongly opposed to any amendment to this act which would take away any benefit presently accruing to Canadian veterans.

The Canadian Legion therefore recommends—

That the existing veterans' preference in employment in the civil service be maintained and applied to all government departments and crown corporations.

22. Civil Service Superannuation—Election to Count War Service

The Public Service Superannuation Act entitles the veteran joining the civil service to buy his years of service in the forces for purposes of superannuation.

The Canadian Legion therefore recommends—

That any veteran so doing be permitted to buy his years of service in the armed forces at any time during his employment with the dominion civil service at 6 per cent of his current salary—not 12 per cent plus interest as at present.

VETERANS' LAND ACT

23. Supervised farm credit

The farmer's share of the consumers' dollar spent on farm products has decreased drastically from 1939 to the present time. The scarcity and high cost of farm labour and the large increase in cost of all materials and supplies which the farmer requires for his operation have made it imperative for him to change to a mechanized and production line basis if he is to survive and obtain a standard of living comparable to that enjoyed by other workers in other industries. The amount and value of land, livestock and equipment required as components of an economic farm unit have increased greatly in the last 10 years and continue so to increase. The capital requirements of those engaged in agriculture today are nearly three times greater on a gainfully employed worker basis than in other industries and the lack of available capital is unquestionably responsible for the existence of many small and uneconomical farm units. Through practical experience of the operation of the Veterans Land Act it has been shown that carefully supervised government-sponsored credit extended to competent and progressive farmers in adequate amounts and at the right time can and will enable the farmer to enjoy a standard of living more comparable to that of the average Canadian in other industries and to meet his obligations when due. Government-sponsored supervised credit is urgently needed for those presently established V.L.A. settlers and other eligible veterans, as well as for the younger farm civilian and those farmers now in low income brackets. The V.L.A. administration has proved to have adequately trained, experienced and efficient personnel available and capable of administering a government-sponsored increased supervised credit plan. Full-time farming veterans still remaining under V.L.A. would be much better served by an expanding and virile organization serving all farmers than by one which must soon run down due to the fact that it will be serving only the rapidly decreasing residue of V.L.A. settlers. We believe that it is essential that a plan be developed which will improve farm management and production, thereby strengthening the entire national economy.

The Canadian Legion therefore recommends to the government.

That a plan of increased long-term and short-term supervised farm credit assistance under the jurisdiction of the presently well-established

veterans' land administration applicable to veterans and civilians alike covering all phases of the Canadian agricultural industry, be undertaken.

CHILDREN OF WAR DEAD (EDUCATIONAL ASSISTANCE) ACT

24. Rate of Allowances

In August we commended the government for granting an additional payment to those over 21. We respectfully suggest, however, that the amendment did not go far enough in regard to allowances payable under this act.

We believe that present amounts payable are not realistic bearing in mind inflated living costs today.

The Canadian Legion therefore recommends.

That Section 4 of the act be amended 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.

25. Children Receiving Compassionate Pensions Under Section 25 Pension Act

Last August representations were made to the standing Committee on Veterans Affairs on behalf of the Canadian Legion while the above act was under review. No action was taken on the proposals which we submitted at that time. Since the problems then before us still remain we take this opportunity to again impress upon the government the views of the Legion.

While section 2 was amended by the addition of a new sub-paragraph extending section 25 of the Pension Act to certain children who are in receipt of compassionate pension, we believe that it did not go far enough.

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 meritorius, but in which the commission has decided that the applicant is otherwise unqualified to receive such an award or supplementary award under this act.

The Canadian Legion therefore recommends.

That all children pensioned under this section should be eligible for educational assistance.

26. Children Pensioned under Section 26 (7) of the Pension Act

While the Legion was certainly pleased to see that the benefits of this act were 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 provisions of the Children of War Dead (Educational 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 the Children of War Dead (Educational Assistance) Act be amended so that section 26 (7) of the Pension Act be included under schedule A.

27. *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 (Educational 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 the 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.

Conclusion

In conclusion, we desire to stress that these matters which we bring before you are of great importance to Canada's veterans and their dependents. We hope that our requests will receive the earnest consideration of the committee and that the necessary legislative changes will be introduced at an early date.

We thank you, Mr. Chairman and members of the committee.

All of which is respectfully submitted.

D. L. Burgess,
Dominion president.

Mr. Chairman, may I again express to you and the members of the committee our thanks for the privilege of appearing before you now, and for a further discussion regarding any of these matters, at your convenience.

The CHAIRMAN: Thank you, Mr. Burgess and members of the Canadian Legion.

Now, Mr. Burgess has considerably abbreviated the formal presentation here this morning. I wonder if the remaining time might be used to clarify any outstanding points in the submission by the Canadian Corps Association?

I suggest that in view of the fact that we might have the Legion before us for a future sitting, without any difficulty of transportation and that Mr. Burgess, in his concluding remarks indicated he will be quite happy to co-operate on that basis.

Mr. THOMAS: Does the Canadian Corps Association have an Ottawa office, or do they come from outside Ottawa?

The CHAIRMAN: The office of the Canadian Corps Association is in Toronto.

Mr. WEICHEL: On page 2 of the Canadian Legion brief it says:

> In the light of these facts the increases granted were not adequate and we would ask for an increase of 33⅓ per cent across the board over the 1956 rates.

Would that be over the 1957 increases?

Mr. BURGESS: That would be over the rates as at the date that the previous rates came in. The previous rate increases granted in 1957, took effect on July 1st. We are asking for the same as we asked in 1956, that is, an increase of 33⅓ per cent over the rates that were in effect when the small increase was granted.

Mr. THOMAS: Mr. Chairman, I move that the rest of the time this morning be devoted to the Canadian Corps Association in view of the fact that the Canadian Legion have an office here in Ottawa, which would make it more convenient for them to come before us.

The CHAIRMAN: We will be hearing from the Legion on the two bills that were mentioned in the preliminary brief, and also on the Veterans Land Act when it comes up for amendment. If it is the wish of the committee, we can have a further discussion of the presentation.

Mr. WINKLER: I second that motion.

Mr. WEICHEL: We do not always have representatives with us from each of the provinces.

The CHAIRMAN: They are in the city today because of a Canadian Legion conference. As a matter of fact, one of the reasons we decided to go ahead with the scheduling was the fact that they would be in the city and it would be possible for the members to meet the provincial secretaries.

Mr. HERRIDGE: I just sent for the Orders of the Day and I see that the house will be discussing the question of providing television services for the area of Churchill. That is very important to the member from Churchill, but it is not so important to most of us. Why can we not sit for a couple of hours this afternoon under the circumstances and hear from the Legion representatives, particularly in view of the fact that the provincial secretaries are here.

The CHAIRMAN: There is one problem, namely, that the hon. member for Brandon-Souris will be occupied with that resolution. I informed the members of the committee of our preoccupation with the resolution to which you referred. Shall we proceed now? We have a motion. Are there any further comments?

Motion agreed to.

We shall proceed to discuss the submission of the Canadian Corps Association, and if you wish to come forward, gentlemen, you may do so. We want to stress that there will be no attempt to curtail the discussion. If it should not be completed today, opportunity will be given at a future date. Have you any questions?

Mr. FORTIN: I see that the Canadian Legion asked for an increase of 33⅓ per cent across the board over the 1956 rates. In your resolution No. 1, you also asked for an increase of 33⅓ per cent without showing the basis for it. Is it over 1956 or over 1957, or over the present rates?

Mr. HARPHAM: Over the present rates, because the increases were granted in 1957, I think, were not uniform. I think the maximum was 20 per cent. You must take into account that the cost of living is still going up, and the fact that handicapped people sometimes are not in a position to get things in the open market in a way that would be possible to a person who is

well and fit, particularly in a time of winter such as we have had. We feel that their standard of living is not as good as it should be.

Surely Canada is not going to deny these men a single thing in this world of ours. I think Canada owes a lot, not to me, but to the veterans at large.

The CHAIRMAN: Shall we proceed resolution by resolution. Have you any further questions on resolution No. 1? If not, resolution No. 2?

Mr. THOMAS: I wonder if our friend could give us some information as to how they establish the basis for the $1,440 mentioned in the resolution? I believe, if I remember the Legion's brief, that they mentioned $1,200 in that regard.

Mr. HARPHAM: Mr. Chairman, in 1957 when we came before the minister and made our recommendation, it was for $1,440 at that time, and we still are coming back with the same request. The $2,000 was for the married recipient, and $1,440 was for the single recipient.

Mr. THOMAS: Can you tell us how you arrived at $1,440?

Mr. HARPHAM: I could not be specific if you asked me that. It was just that we felt that $1,440 represented something that they could live with. In other words, it would take care of a lot of those things which the war veterans allowance recipient now cannot enjoy. It is not an arbitrary figure.

Mr. THOMAS: It is not based on other figures in the present legislation?

Mr. HARPHAM: No sir.

The CHAIRMAN: Is discussion completed on resolution No. 2? If so, resolution No. 3.

Mr. HERRIDGE: May I ask if, by that amount, he means 33⅓ per cent in addition to the present pension, or 33⅓ per cent in addition to what Mr. Burgess seeks in the Canadian Legion brief?

Mr. HARPHAM: Well, the Canadian Corps Association does have a great many pensioners in its membership, and it felt that we should support the brief that was submitted to you by the Amputations Association. Their brief, I think, is very specific at 33⅓ per cent.

The CHAIRMAN: Yes. We had that point clarified.

Mr. HARPHAM: Since we are members of the national council, we feel we must support their recommendation in that regard, because they have more actual knowledge of this problem than we have, and because we do not have the proportion of pensioners that they have.

Mr. THOMAS: In connection with resolution No. 3, the witness made reference to the Succession Duties Act and the fact that the capitalized value of the pension for the widow must be included in the aggregate of the estate when it is to be determined whether or not the estate as a whole is taxable. I wonder if the witness would care to comment on the suggestion that in the case of an estate which is taxable under the new amendment—an estate is not taxable where there is a widow involved unless the estate exceeds $60,000; and in addition to that, there is a further allowance of $10,000 exemption for each dependent child.

Is it felt that special consideration should be given to widowed pensioners under those circumstances where there is $60,000 plus additional allowance for children already exempted?

Mr. HARPHAM: Well, Mr. Chairman, the attitude we take is this, that the widow's pension is hers by right; it applies to every widow. If a husband dies and he is a pensioner, because he may have been successful in business and have accumulated an estate, you want to penalize her. In other words, she must have her pension amortized to be counted in her estate. Not only that, in

the province of Ontario and in the province of Quebec succession duties are higher than they are in the rest of the dominion.

That is why I read this:

> The present practice under the Succession Duties Act is such that the capitalized value of the widow's pension is taken into consideration as to whether or not the whole estate of the pensioner is subject to succession duties. Parliament in its wisdom and gratitude has seen fit to make it the law that pensions payable under the Pension Act are not subject to income tax. We feel that it is the wish of parliament and the people of Canada that the same principle be applied under the Succession Duties Act.

We do not think a pension that has been earned and granted should ever come into the picture of succession duties or other things of that nature. It is hers by right. It might get very difficult, but we feel that pensions should not be interfered with.

The widow could lose that money; she could make poor investments of over $60,000, and then where is she? She has to come back with her hat in hand and ask to be reconsidered. We do not think it is the wish of the people of Canada that a widow should ever have her pension amortized.

Mr. THOMAS: Would it be a fair comment on the widow's pension, if it is not interfered with, that in any event she could still receive it, that it is only to be taken into account when an estate reaches a size where it is subject to taxation, that she would always have the pension if she lost her other money, and that the pension should not be touched. She would never lose it.

Mr. HARPHAM: How are you going to determine how long she will live?

Mr. HERRIDGE: I thought we were to be discussing resolution No. 3. What are we discussing now, Mr. Chairman?

The CHAIRMAN: This discussion arose from some comments made by Mr. Harpham on this item. Have we any further questions? If the questioning on resolution No. 3 is completed, we will proceed with resolution No. 4.

We had the Hong Kong veterans association before us a week or so ago when we discussed this item thoroughly. Are there any further questions in connection with this resolution?

Mr. STEARNS: Mr. Chairman, I was just wondering where they obtained the figure of $5 million. We tried to extract that information the other day. How do they know there is still $5 million in war assets?

Mr. HARPHAM: Do you know where that information is?

Mr. HEESAKER: If we are incorrect on the $5 million, let the Department of Veterans Affairs advise us what it is.

The CHAIRMAN: On that point, I think the Department of Veterans Affairs merely administers.

Mr. LALONDE: Yes, we only provide addresses.

The CHAIRMAN: You merely mail the cheques which are awarded by the finance department or the war claims commission. This information is in the custody of the Minister of Finance. Although we have not received that information, we are going to see if we can obtain it for you.

Mr. HERRIDGE: I presume the intention of the brief is that whatever money is available from any war assets can be used to compensate these veterans.

Mr. HARPHAM: Yes.

Mr. HEESAKER: No, only the money from the Japanese in regard to the Hong Kong situation.

Mr. HERRIDGE: I was referring to that.

Mr. HEESAKER: Yes.

Mr. THOMAS: Would this be a fair statement: the corps association are simply backing up the request of the Hong Kong veterans?

Mr. HARPHAM: Yes, they are members of our organization.

Mr. WEICHEL: Mr. Chairman, did not the Hong Kong representatives have the same amount, $1.50 a day? Is that the same as yours?

Mr. HEESAKER: That is right.

Mr. WEICHEL: I do not think we need to discuss it any further.

The CHAIRMAN: Gentlemen, shall we proceed to resolution No. 5.

Mr. HERRIDGE: Could I ask Mr. Heesaker this question: I read the resolution quite carefully and I am not clear as to the intention of the resolution. Do you really mean by this resolution that the former ex-service women who are unemployable because of physical disability or age, receive this assistance?

Mr. HEESAKER: Yes.

Mr. HERRIDGE: That is the implication of the resolution?

Mr. HEESAKER: Yes.

The CHAIRMAN: As there appear to be no further questions on resolution No. 5, we will proceed to No. 6. Is the intent of this resolution clear to the members of the committee?

Mr. HERRIDGE: Does this resolution imply that the widow should receive the full pension that was received by the pensioner, plus her portion after his death?

Mr. HARPHAM: May I say that we think something should be done for her. If we do it in the case of a pensioner with over 50 per cent certainly we feel the pensioner who is slightly under 50 per cent should have something. At the present moment they are completely forgotten. Until she becomes eligible for something like widow's allowance, there is nothing at all for her.

Mr. WEICHEL: You are not talking about the pension over 50 per cent?

Mr. HARPHAM: No, we are talking about the woman whose husband had a pension under 50 per cent, and we think something should be done for her.

Mr. HERRIDGE: Do you actually mean that the widow of a veteran who receives less than 50 per cent should continue to receive a widow's pension, the same way as the widow of the veteran who received over 50 per cent?

Mr. HARPHAM: Yes. The widow of a veteran who receives over 50 per cent gets a pension; it is the widow of the veteran who receives under 50 per cent with whom we are concerned.

Mr. HERRIDGE: But the pension paid in this instance after death is not the same pension received by the veteran.

Mr. HARPHAM: No.

Mr. CARTER: Perhaps Mr. Lalonde will clear this up, if it is possible. Is it not possible for a widow of a pensioner who has less than 50 per cent disability to receive a pension under certain circumstances which, if the pension board sees fit, would be greater than the pension is for a pensioner's wife?

Mr. MUTCH: Yes, there are two groups of widows who are pensionable, the group in classes 1 to 11—50 per cent or more, which is automatic provided it is a good marriage. But in all other cases where a veteran dies, if his death can be held due to service, his widow and his children are pensionable,

even although in extreme cases he drew no pension during his lifetime. If death is ruled attributable to service, then the benefits flow to the widows and dependents.

Mr. WEICHEL: That would be the same rate.

Mr. MUTCH: The amount is exactly the same as in the case where division is automatic; it is fixed in the schedule to the act which sets out the rate of $115 for the widow, and on the death of the pensioner the children would be pensioned at orphan rates, or double ordinary rates.

Mr. ROBINSON: Are there many of those cases?

Mr. MUTCH: You asked if there are many?

Mr. ROBINSON: Yes, or is it a hard one under which to qualify.

Mr. MUTCH: There are a considerable number of them, and I would have no idea as to the number. I know of one, for instance, that I can think of: when the pensioner died it was discovered that he died from a pensionable disability, which was recorded at the time of his discharge, for which he had never applied and for which pension had never been in payment. That is the extreme case. But there are people who have small pensions for an aggravation and if the commission ascertains that their pensionable difficulty was a major factor in the cause of death the dependents would be paid a pension.

Mr. CARTER: As I understand this resolution, it means that if a pensioner was getting a pension for 10 per cent disability, then that 10 per cent pension would go to his widow when he dies. Is that what you are requesting?

MR. HEESAKER: Yes. We are requesting that the dependent of a pensioner receiving a pension of less than 50 per cent be granted the same privilege in respect of veterans allowance that is presently being granted to a dependent of a pensioner receiving a pension of over 50 per cent.

Mr. CARTER: You have no definite minimum figure in mind?

Mr. HEESAKER: Minimum figures, yes.

Mr. CARTER: It is merely the continuation of the widows' pensions.

Mr. HEESAKER: Yes, the same as in the case of those over 50 per cent.

Mr. MUTCH: Perhaps I should say, in the case of a pensioner who dies and whose death is not due to his pensionable disability or attributable to service, the statute provides that, where additional pension has been in payment, the payment of a bonus equivalent to additional pension for one year is to be made for the benefit of the children. Of course, the wife's pension in such cases ceases with the death of the pensioner.

Mr. WEICHEL: Would it be right to ask if the Canadian Legion has anything in their present or previous briefs in regard to where it is under the 50 per cent?

The CHAIRMAN: Would you care to answer that question, Mr. Burgess? Mr. Weichel is inquiring if the Legion has made similar representations in regard to the elimination of the 50 per cent clause.

Mr. BURGESS: No, we have not.

Mr. WINKLER: I think perhaps the wording of resolution No. 6 is somewhat confusing, but in view of the comments which were presented to the committee, I certainly think it is an excellent resolution. Personally I know of numerous cases where the veteran was receiving less than 50 per cent, possibly considerably less than 50 per cent; things were going along fine and he did not go for reboards and that sort of thing. He had built up a small estate and as a result, on his death—as a matter of fact in the case I am thinking of, there were five children involved—this small estate supplied an

income for five or six years. The amount was too large to enable the widow to receive mother's or widow's allowance, and being under 50 per cent, there was no pension from the commission. This would certainly be of tremendous assistance to families such as these. I think it is a very good resolution although, as I say, the wording is somewhat confusing.

Mr. WEICHEL: I would like to add my support to Mr. Winkler's statement. I remember losing a pal of mine not too long ago; he had 47 per cent and did not receive anything.

The CHAIRMAN: Are there any further questions; if not, we will proceed to resolution No. 7. I might say that resolution No. 7 applies more to the Department of National Defence than it does to the Department of Veterans Affairs. I believe that is a correct interpretation.

Mr. HEESAKER: Yes.

Mr. HARTHAM: We simply wanted to draw it to your attention. We do not know how it could be handled but we have seen several cases which merit consideration.

Mr. HERRIDGE: I wonder if the witness realizes that former members of the permanent forces are not considered veterans according to our legislation and are, therefore, not the responsibility generally of the Department of Veterans Affairs.

The CHAIRMAN: With those comments on resolution No. 7, we will proceed to No. 8.

Mr. WEICHEL: In regard to the question of identification cards, would that have any effect on anyone like myself? I am a pensioner and I receive a card every three months which I have to fill in and return to the Department of Veterans Affairs. That would not have any effect on the one you are suggesting here.

Mr. HEESAKER: No, the thing we are asking for is a permanent card they can carry. I am sure some of you gentlemen have been in a bank cashing your pay cheque and have noticed war veterans allowance recipients or pension recipients ahead of you—especially if they are in the older age bracket and becoming feeble—experiencing difficulty cashing their cheques. Bank tellers are changing every day. It is not as if the same teller has been there for five years and recognizes the person in question. All too frequently they present their cheques to new tellers; and what happens? There is a big stink; the manager or the chief accountant has to be called, and if he has not proper identification he is really put through a lot of misery before they cash it.

Mr. WEICHEL: I think perhaps the deputy minister is aware of the identification card to which I am referring. In all probability it is sent to us in order that the government may ascertain whether or not we are still alive.

The CHAIRMAN: Mr. Weichel, we are very much aware of that in this committee.

Mr. WINKLER: Mr. Chairman, I think that is a very good idea. I can confirm that those inconveniences in the bank, as stated by my hon. friend, do exist.

Mr. ROBINSON: I do not know whether or not all provinces supply them, but Ontario issues a very small birth certificate card, and I would think that would serve the purpose. In this way, you would not be cluttering up your wallet as much as you would if you had to carry another card along with it.

Mr. WEICHEL: Perhaps the deputy minister would answer this question: the gentleman next to me says he receives his identification card every two years; I receive mine every three months.

The CHAIRMAN: They are keeping a close check on you. Are there any further questions?

Resolution No. 9. Any questions? Are we agreed on resolution No. 9?

Some Hon. MEMBERS: Agreed.

Mr. HERRIDGE: Mr. Chairman, may I ask a question there? I am not quite clear on the intent of this resolution, having regard to the comments. It says, "We therefore recommend that section 34, subsections 3 and 4, which contain the 'means test' and decrees 'at the discretion of the commission', shall be forthwith absolved, and the dependent parent or parents be treated in the same favourable extent as the wife who is subjected to no means test for the same comparable loss".

There appears to me to be a contradiction in terms there. You actually are asking that there be no means test in the application of his section?

Mr. HARPHAM: That is right. Where there is a loss of a dependent son or daughter, as I understand it now, the pensions commission assess their ability to carry on with or without assistance. We feel that the supreme sacrifice is something that you just cannot measure in dollars and cents, and these older people could reasonably have expected assistance from their sons and daughters in their later years.

They are now getting older, and they are being put to a means test. I do not think that is the intention of the people of Canada.

Mr. HERRIDGE: My point is, how do you determine that they are dependent parents, because that implies a means test?

Mr. HEESAKER: That was determined when the man or woman entered the service and the government at that time saw fit to pay a dependent's allowance to the mother or father.

I know a specific case where the last boy entered the army and the mother was left at home. He signed over a portion of his pay and the government made available the same amount that the last son signed over. Therefore, that mother must have been, in the eyes of the government, a dependent, otherwise the government would not have seen fit to pay that $20.

They are the people we are trying to cover with this resolution, people who were dependents at that time and still qualify for a like amount for which a wife would qualify if her husband was a service man and had made the supreme sacrifice.

Mr. CARTER: What would you say about payment to a person who lost two sons?

Mr. HEESAKER: We are only being reasonable. If a person lost two sons we would only expect—and I am sure our association would back us up on this; it is a technical point—an allowance for one son. We would certainly not expect to receive a full allowance for two sons. We would expect to receive an allowance for one son, and one only, provided it is the same allowance that a wife would receive had her husband paid the supreme sacrifice.

Mr. MUTCH: The suggestion made here would require an amendment to the legislation itself.

The CHAIRMAN: Are there any further questions?

Mr. FORTIN: Would this be only in the case where a service man had a portion of his salary paid to his parents while on service, or in all cases?

Mr. HEESAKER: That is another technical point. If, when the service man was in the service, his mother or his father, or both, were classed as dependent, then we say they should come under the same set-up as a wife.

The CHAIRMAN: Are we agreed on resolution No. 9?

Item agreed to.

The CHAIRMAN: Resolution No. 10.

Mr. HERRIDGE: I am interested in this resolution.

The CHAIRMAN: Resolution No. 10?

Mr. HERRIDGE: Yes. I presume the witnesses present this resolution because they have run into a number of cases of people who have suffered from this order in council in Great Britain. I should think the numbers must be very small in Canada.

Have the witnesses any idea of the number who would be affected by the change suggested in this resolution?

Mr. HEESAKER: I must confess that this resolution came to us almost at the last minute from our Imperial section of the Canadian corps. I should like to make note of any questions we are asked here today by yourself or the committee and we could secure the answers for you and submit them as soon as possible.

Mr. HERRIDGE: I wish you would, because I think the numbers must be very small indeed.

The CHAIRMAN: Is the committee agreed on resolution No. 10? If so, we will proceed to resolution No. 11. Are there any questions, gentlemen? Are we agreed on resolution No. 11? If so, we will proceed to resolution No. 12.

Mr. HERRIDGE: Mr. Chairman, this resolution—and I am very sympathetic to it, personally—asks for the first $50 to be exempted of such qualified pensions as industrial, disability and superannuation, provided the pension does not exceed $100 a month. I think it is somewhat limited in its scope, if you apply that principle.

There are some persons who have small sums of money up to $50 a month coming in from interest and savings, annuities and other forms of, shall I say, assured income? Would you consider those persons should receive the same consideration? It does open up a field in that direction.

Mr. HEESAKER: Mr. Chairman and gentlemen, there is something they always tell us in veteran work, that if you get a start on something one year, you can always get something else the next year. But I would certainly say that we would go along with $50 a month coming in from something, as the good committee member down there mentioned.

The CHAIRMAN: Are there any further questions? Are we agreed on resolution 12?

If so, are there any questions on resolution No. 13? The next is resolution No. 14.

Mr. CARTER: I am all for this one.

The CHAIRMAN: That resolution is agreed to? The next one is resolution No. 15. Are there any questions?

Mr. WEICHEL: Why is there the difference in age there—16 for boys and 17 for girls?

Mr. HEESAKER: That is the difference laid down by the Department of Veterans Affairs.

Mr. HERRIDGE: I think it arises from the natural paternal feelings of the committee towards the female sex.

Mr. WEICHEL: I suppose 16 is when a boy starts work?

Mr. MUTCH: It has always been statutory, 16 for a boy and 17 for a girl. If you ask me why, I will decline to answer, because I do not know, except as to the general interpretation of responsibility.

The CHAIRMAN: Is resolution No. 15 agreed to?

I think Mr. Herridge gave a very noble answer.

Mr. MUTCH: I am sorry; I missed it. I shall certainly read it.

The CHAIRMAN: Gentlemen, that concludes the discussion of the brief from the Canadian Corps Association. We are very grateful, gentlemen, for your cooperation in this regard, and we are grateful to the members of the delegation.

Mr. HARPHAM: Thank you very much.

The CHAIRMAN: It has been a pleasure to have you before us and to meet you personally.

Mr. HARPHAM: Thank you very much, sir.

The CHAIRMAN: We will not meet until following the Easter recess. At that time I presume it will be your wish to hear further from the members of the Canadian Legion?

Some hon. MEMBERS: Hear, hear.

The CHAIRMAN: The steering committee can discuss when we will reassemble following the Easter recess. I would say, looking at the situation from this vantage point, that we will not be meeting again until the Thursday following the Easter recess. Have we any comments? I am told, gentlemen, that is April 9.

Mr. HERRIDGE: That is a very appropriate day, Vimy Day.

The CHAIRMAN: Yes, it is Vimy Day. Are there any further comments, gentlemen?

Mr. MUTCH: The 9th is not a firm commitment for the commission, is it?

The CHAIRMAN: Yes, you are with us on the 9th, we will definitely schedule you for that day. The original plan of the steering committee—and the general committee agreed to this—was to hear general presentations on Monday, and consider estimates on Thursday and I think we will continue on that schedule.

Mr. WEICHEL: We might be able to enjoy Vimy night with the Legion?

The CHAIRMAN: There is a good suggestion. Thank you, gentlemen. Thursday, the 9th.

—The committee adjourned.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 8

Estimates 1959-60 of the Department of Veterans Affairs

THURSDAY, APRIL 9, 1959

RECEIVED
APR 17 1959
LIBRARY OF PARLIAMENT

WITNESSES:

Mr. T. D. Anderson, Chairman, Canadian Pension Commission; Mr. L. A. Mutch, Vice-Chairman; Mr. Lucien Lalonde, Deputy Minister of Veterans Affairs.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

20933-8—1

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.,

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

and Messrs.

Badanai	Herridge	Peters
Batten	Jung	Pugh
Beech	Kennedy	Roberge
Benidickson	Lennard	Robinson
Broome	Macdonald (*Kings*)	Rogers
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

CORRECTIONS

Page 194.

Line 26—Strike out $120.00 and substitute "$240.00" therefor.

Line 35—Strike out $120.00 per annum and substitute therefor "$240.00 per annum single (and $300.00 married)"

Last Line—Strike out $120.00 and substitute therefor "$240.00 per annum single, and $300.00 married,"

20933-8—1½

MINUTES OF PROCEEDINGS

House of Commons, Room 112-N.
THURSDAY, April 9, 1959.

The Standing Committee on Veterans Affairs met at 11:00 o'clock a.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Badanai, Beech, Clancy, Dinsdale, Fane, Forgie, Garland, Herridge, Jung, Kennedy, Lennard, Macdonald (*Kings*), MacEwan, MacRae, McIntosh, Montgomery, O'Leary, Robinson, Rogers, Speakman, Stearns, Thomas, Webster, Weichel, Winkler.

In attendance: Mr. T. D. Anderson, Chairman, Canadian Pension Commission; Mr. L. A. Mutch, Vice-Chairman, Canadian Pension Commission; Dr. W. F. Brown, Chief Medical Adviser; Mr. Kenneth Macdonald, Secretary; Mr. T. J. Rutherford, Director, Veterans Land Act; Mr. Lucien Lalonde, Deputy Minister, Veterans Affairs; Mr. F. T. Mace, Assistant Deputy Minister, Veterans Affairs; Mr. C. F. Black, Secretary of the Department, Mr. J. G. Bowland, Research Adviser; Mr. G. S. Way, Chief of Information; Mr. D. M. Thompson, Chief of Service Bureau, Canadian Legion.

In opening the proceedings the Chairman welcomed Mr. T. D. Anderson on his recent appointment as Chairman of the Canadian Pension Commission. He invited him to address the Committee. Mr. Anderson thanked the Chairman and the Members and said that in view of his very recent appointment he would leave Mr. Mutch to deal with the questions relating to the items of the Canadian Pension Commission.

Some discussion took place as to the hour of sittings. Finally, on motion of Mr. Herridge, seconded by Mr. Lennard, it was resolved that the Committee would meet at 3:30 o'clock p.m. on the next two Mondays.

The Committee then proceeded to the consideration of the Estimates.

Item 463 was discussed at length and finally approved.

Items 464 and 465 were considered and approved.

At 1:00 o'clock p.m. the Committee adjourned to meet again at 3:30 o'clock p.m. on Monday, April 13, 1959.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

THURSDAY, April 9, 1959.
11:00 a.m.

The CHAIRMAN: Gentlemen, we have a quorum.

We welcome back all the members of the committee following the Easter recess. Yesterday the steering committee met briefly to plot our course for the remainder of the session. As a result of our deliberations one or two problems emerged which we thought should be referred to the general committee.

The schedule which has been drawn up for the remainder of the session has the Veterans Affairs committee meeting at nine o'clock on Mondays and eleven o'clock on Thursdays. That is the schedule which emerged out of the general discussion of the committee chairman. It was devised in order to avoid as much conflict as possible. It was felt by the steering committee that it might be the wish of the general committee to consider further the matter of meeting at nine o'clock on Monday mornings. Are there any comments on that?

Mr. FORGIE: It is too early.

Mr. HERRIDGE: I am a member of the steering committee but unfortunately I was absent. What is the reason for holding the meetings at nine o'clock? It does seem a bit early. We would have no time for correspondence.

The CHAIRMAN: It is in order to avoid conflict with the schedules of the other committees on Monday mornings. We are alternating with the External Affairs committee. There are several cases of conflict between the External Affairs committee and the Veterans Affairs committee.

Mr. THOMAS: How long would the committee sit on Monday morning?

The CHAIRMAN: From 9:00 a.m. to 11:00 a.m. and then we would make room for the External Affairs committee.

Mr. BEECH: Why not have the External Affairs committee meet at nine o'clock?

The CHAIRMAN: They are meeting at 9:00 a.m. on Thursday.

Mr. LENNARD: Why not meet on Monday afternoon for at least a couple of weeks?

The CHAIRMAN: That is an interesting proposal. It is within the power of this committee to so decide if they wish. We have the budget debate for the following two Mondays.

Mr. THOMAS: Mr. Chairman, if it is to be held in the afternoon, then I would suggest a day other than Monday or Friday be considered.

The CHAIRMAN: We have a proposal that we might shift our Monday sitting from the morning to the afternoon and Mr. Thomas suggests it be an afternoon other than Monday.

Mr. THOMAS: Yes.

The CHAIRMAN: Is there any reason for that?

Mr. THOMAS: There are quite a number of members who do not go home very often for the weekend but when they do go home they sometimes take an extra day. For that reason I would suggest a day other than Monday.

Mr. MACRAE: Surely we do not have to arrange our meetings to suit those members who do go home; some of us do not.

Mr. HERRIDGE: I move that for the two successive Mondays during the budget debate, this committee meet at 3:30 in the afternoon.

Motion seconded by Mr. Lennard.

Mr. GARLAND: Mr. Chairman, before a vote is taken on the matter I think we should just register the fact that there was an undertaking by the chair that the committee would not meet while the house is sitting.

Mr. LENNARD: You had better clear it with some of your own party.

Mr. GARLAND: I appreciate the advice from my friend, but nevertheless it does present a very real problem for some of us in the opposition. I know the chairman is well aware of that.

At this point I would be prepared to go along with the recommendation that we try it for the next two weeks—during the budget debate—but only for those two weeks.

The CHAIRMAN: I think that is the purpose of the motion. Is there any further discussion?

Motion agreed to.

The CHAIRMAN: Let us proceed with another item of preliminary business. I have a letter from the Canadian Corps Association pointing out a stenographic error, which reads in part as follows:

> With reference to the Canadian Corps Association brief of resolutions, presented to the Standing Committee on Veterans Affairs on Monday, March 23, we would like to make a correction in connection with our resolution No. 13. A stenographic error was committed in connection with this resolution and instead of $120 on line 4, paragraph 1, page 194 of your minutes and proceedings No. 7, of March 23, it should have said $240 to $500 per annum. This would also mean correcting paragraph 3, changing the first two lines to read as follows: "The maximum allowed to any recipient by the district authority from the assistance fund is $240 per annum single (and $300 married) payable usually on a monthly basis." It will also necessitate the correction of paragraph 5 as follows: "The Canadian Corps Association therefore recommend that the ceiling of the assistance fund of $240 per annum single, and $300 per annum married, be increased on a sliding scale to the maximum of $500 per annum," and so on.
>
> We are very sorry to cause your clerk additional work in connection with this resolution, but we would not want your committee members assembled to be considering resolution No. 13 without this stenographic error of the dollar value being corrected.

We have a request from the Canadian Corps of Firefighters for a hearing. It was the suggestion of the steering committee that we invite them to appear before us a week from Monday.

We still have to consider the brief of the Canadian Legion and I believe they are prepared to come back next Monday if that meets with the wishes of the committee.

Are there any comments on those points? I think that covers the business at hand for the moment unless one of the members wishes to raise anything further.

We will now return to the estimates.

Canadian Pension Commission

463. Administration expenses $2,593,195

The CHAIRMAN: We are now on the administration item under the Canadian Pension Commission. This gives us an opportunity to welcome into our midst the new chairman of the Canadian Pension Commission, Mr. T. D. Anderson, who is no stranger to this committee, nor is he a stranger to the Department of Veterans Affairs. He comes to his new position from the Post of national secretary of the Canadian Legion. We are delighted, Mr. Anderson, to have you with us this morning. If you wish to make any statement you are quite at liberty to do so at this moment. We are very pleased to have you with us.

Mr. T. D. ANDERSON (*Chairman, Canadian Pension Commission*): Thank you very much, Mr. Chairman. It is a genuine pleasure, I can assure you, to be here.

As you have said I am not exactly a stranger to either yourself or the members of the committee, having appeared here on previous occasions representing the Canadian Legion. I am sure our relationships are going to be just as pleasant in my new capacity as they were in the old.

I wish to say, if you do not mind, and I think you will understand as will the members of the committee, that having taken over my new office on Tuesday, and having had no previous opportunity to make a study of the estimates, or to gain any information about them, I am not quite in a position to discuss them with you or to give you any information on them. Accordingly, I am going to ask the deputy chairman, Mr. Mutch, to carry on with that part of the work until we are through with the estimates of the Canadian Pension Commission.

I may well be prepared to say a word here and there where it appears necessary, but other than that I will leave the work of the estimates to the gentleman on my right.

The CHAIRMAN: Thank you very much.

Mr. HERRIDGE: I would like to bring to the attention of the committee the fact that this is a most unique occasion. This is the first time we have had a gentleman appear at a previous meeting as a representative of the Canadian Legion and then at a successive meeting as Chairman of the Canadian Pension Commission. I know what he thinks in respect of the amendments to the Canadian Pension Act and in view of that, we look forward to a very fruitful future.

The CHAIRMAN: Mr. Anderson originally is a Manitoban and, of course, anyone who originates from the keystone province looks at matters from a balanced and fair viewpoint.

We shall proceed with item 463.

Mr. L. A. MUTCH (*Deputy Chairman, Canadian Pension Commission*): Mr. Chairman, before you begin examining this item, I think I should conform with the practice which has been followed in the committee at this and former hearings, that is, the practice of making a short statement.

My experience is long enough that I can promise you it will be a short statement. I know something of the difficulties into which a person can get by saying too much.

I would like to say that the Canadian Pension Commission is recognized as one of the larger welfare agencies in Canada. Its decisions bear directly upon the financial circumstances of half a million Canadians. Through the years it has been a matter of pride to parliamentarians, as well as to all Canadians, that in Canada emphasis has always been put upon the service to be rendered under this act.

Perhaps you will permit me to add that during my association with the Commission I have been convinced that the Commission considers it to be its primary duty to see to it, to the best of its ability under the powers conferred by statute, that no veteran, and no dependent of a pensioned veteran, is denied any of the benefits parliament has provided. The Canadian Pension Commission as a quasi judicial body enjoys powers which are unique; its objective has been, and is, to merit the confidence of parliament in granting those powers.

Therefore it is quite natural that Appeal Boards of the Commission, sitting as the court of last resort in pension awards, do, in practice, make exhaustive examination of the evidence adduced, and of the records, in order to extend in full the benefits which flow from a favourable ruling. When we err—and being human, err we must—the Commission will freely make such adjustments as are permitted by the statute. While granted extremely wide powers of interpretation, these powers do not extend to the Commission the right to legislate by interpretation. In the field of legislation parliament is supreme.

That is all I wish to say on behalf of my colleagues.

The CHAIRMAN: Thank you for the statement.

The meeting is now open for general discussion. Are there any questions? The item is No. 463 and it appears on page 82; the details will be found on page 563.

Mr. MONTGOMERY: Are there any regulations under section 8 of the Pension Act? Have there ever been any regulations?

Mr. MUTCH: Under section 8? Oh yes, there are regulations under which the commission operates.

Mr. MONTGOMERY: Are they available? Have we copies which are supplied to us?

Mr. MUTCH: No. The only information of that nature which has ever been tabled, I am informed, is the Table of Disabilities. That was tabled two or three years ago in the house.

Mr. HERRIDGE: On the motion of the member for Kootenay West.

Mr. MUTCH: I will not hold that against you. They were tabled in the House of Commons at that time. That is what you are inquiring about?

Mr. MONTGOMERY: I have never seen any of these regulations and I wondered if there were any.

Mr. MUTCH: That is known as the Table of Disabilities, and it was deposited with the proper officer of the house at that time. They are amended from time to time and they have been amended, I am quite sure, many times since that was done.

It has been the practice to hold this Table in confidence, divulging it only to those persons who were properly authorized to represent applicants. When we were ordered by the House of Commons to table them, of course did so.

Mr. MONTGOMERY: Were they published in *Hansard*, or just tabled?

Mr. MUTCH: No, they have never been published.

Mr. HERRIDGE: How many cases were reviewed because of the tabling of this Table of Disabilities?

Mr. MUTCH: I am completely unable to answer that question. No record was kept. But I would venture to suggest that the number was not considerable. Actually I was going to say that I think a great many people were surprised to find how relatively little there was in it, and the response as far as requests was concerned was negligible.

Mr. HERRIDGE: What would be the reasons for keeping it more or less confidential?

Mr. MUTCH: The Table is drawn up under the powers conferred by the statute for the direction of the Commission itself and its employees, scattered from Victoria to London, England. Basically, I think the reason was to make it easier to maintain a reasonable standard of uniform practice.

The Table of Disabilities exists only to assist the Canadian Pension Commission and its medical officers in fulfilling ther responsbilities. It does not offer final, nor absolute values. It is reviewed from time to time as circumstances change.

Mr. MONTGOMERY: It is just for the purpose of keeping on a general level your decisions on cases, having regard to similar cases.

Mr. MUTCH: It deals very largely with fixed disabilities. Otherwise, you see, we would find ourselves in a ridiculous position if we did not take the same approach in respect of uniformity in connection with awards in these cases where the disability is fixed. One can realize the difficulty if a veteran in Victoria, with an arm off to a certain length, were treated differently from one in Prince Edward Island with the same disability.

Mr. MONTGOMERY: My next question has to do with section 11(5). It says here there may be a travelling inspector for the veterans bureau. Has the pension board designated or advocated having a travelling inspector?

Mr. MUTCH: No, the Veterans Bureau, while working with the pension commission, and provided for in this act, comes under the direction of the deputy minister of the Department of Veterans Affairs. They do not report to the pension commission, nor are they our employees, although they are most valued allies in the work we are doing.

Mr. BEECH: I would be interested to know how the board functions under section 70, the benefit of the doubt clause. There seems to be a lot of argument and dissatisfaction about this and I would like to hear some comments.

Mr. MUTCH: I think I can perhaps help you with that, although I do not ever expect to be able to satisfy everyone with respect to it.

The benefit of the doubt which is described in section 70 is a doubt in the mind of the judge, if I may use that expression, or of the man who is hearing the case. In effect the section says that if the three men who constitute the appeal board hearing a case have reasonable doubt—and it says: "reasonable doubt"—in their minds as to the decision which they shall take, then they shall draw reasonable inferences in favour of the applicant. The act says reasonable inferences, and again the decision as to what is reasonable or unreasonable must exist in the minds of the men who are hearing the case. The result is that when an application is granted, as a very great number are granted as a result of section 70, the person who succeeds is satisfied. But the person who does not succeed is likely to suggest that we have not exercised that discretion in his favour. The power to give, in a section like that, is balanced by the power to deny. The Commission has contended through the years—and I think it has been generally accepted—that the decision lies solely in the minds of the judges themselves, as their responsibility.

One cannot say that the Appeal Board should have a doubt about this simply because I have a doubt. On the whole it works to the advantage of the veteran population generally, and I would venture to suggest to you that more than 80 per cent of the entitlement awards which have been granted in respect to World War I, in the last five years while I have been with the commission, could not have been granted without resort to the benefit of section 70. I do not think anyone would challenge that.

Mr. BEECH: The benefit of the doubt must lie in the minds of the judges and not in the person himself.

Mr. MUTCH: With respect, may I say there is only one person who can decide whether the evidence produces any doubt or not, and that person is the judge.

Mr. BEECH: I was looking at a decision which I have here.

The CHAIRMAN: Refer to it in general terms, please.

Mr. BEECH: It says:

> The board, after carefully reviewing the entire evidence, concludes that although the possibility exists that the pensionable condition may have influenced the disease processes leading to death, the probability of such has not been sufficiently established to bring this case within the provisions of section 70.

I do not know. I may be wrong. But it would seem to me that the possibility exists that it may have influenced them, and that it would create a doubt.

Mr. MUTCH: Apparently it did not. I am sure I do not know about it, because I do not sit on the appeal boards. There is a weighing of the evidence, and it says there is reasonable doubt. They may have said, and if I had been translating it perhaps I would have said: "the doubt is not clear cut, so in my mind there is not a reasonable inference or presumption in favour of the claim". I think that is what they meant.

Mr. MONTGOMERY: I do not think it is a question of reasonable doubt. Under the interpretation of section 70, the words "reasonable doubt" are not used; it says "reasonable inference", but not reasonable doubt.

Mr. MUTCH: It is based on reasonable inference.

Mr. MONTGOMERY: I would venture my opinion on the number of cases that come to us that the doubt in this case should be given to the veteran and that there should not be any question of reasonable doubt if there is doubt. I think what Mr. Beech was wondering was whether that is always given in favour of the veteran. I know it is very difficult, but two people might arrive at the thing differently.

Mr. MUTCH: If it were not for differences of opinion, one person could do the whole business. I cannot analyze what is in the mind of a man, but I can assure you that my colleagues on the commission do utilize this section every day of their lives. As I have said, they are solely motivated by the desire to do what they can do under the legislation.

I say that as long as there are cases which are denied and which have been appealed under section 70, someone somewhere will feel that our interpretation of section 70 has not been broad enough.

If what you suggest was carried to its logical conclusion, it would be tantamount to putting a statutory provision in to give everybody a pension. I suggest that it is as simple as that. I have been trying to make this clear to myself and to others for at least eighteen years, and this is the best I can do.

Mr. BEECH: The only reason I make the suggestion is that year after year at Legion and at other conventions, this benefit-of-the-doubt clause always comes up and there seems to be a great deal of dissatisfaction in the way in which it is interpreted. So I wondered if there were any rules governing its interpretation.

Mr. MUTCH: The very minute you impose direction on discretion, you limit that discretion. Section 70 has come up in this parliamentary committee, in my experience, at least four times; and on at least one occasion your present minister, with one of his colleagues in the cabinet today, and I myself, were those who attempted over a lengthy period of time, to put something in the act under section 70 which would broaden it.

As the present minister has said in his reply to representations made with respect to section 70, he was not of the opinion that it could be broadened by definition, nor am I.

If you attempt to circumscribe the section by definition, the minute you say what it is not, or the minute you say what it is, you limit the opposite.

With respect, I suggest to you that a lot of people have tried to improve it. That is your prerogative. But I suggest to you that it works extremely well; and I suggest further that there will always be dissatisfaction until such time as everybody who applies gets an award, in which event there would be pension for service.

Mr. HERRIDGE: If Mr. Montgomery will move an amendment to the suggestion to provide greater justice along the lines he has advanced, I would be willing to second his motion.

Mr. MUTCH: I would dearly love to say something, but I shall not.

Mr. MONTGOMERY: I think the chairman or the deputy chairman of the commission has really put his finger on it. It is pretty hard to legislate this. If you started to legislate to make it plainer, possibly you would just be giving the pension to everybody who applied.

Mr. MUTCH: If you endeavoured to put in who could get it, I suggest the result would be that everybody who has not been mentioned would be out. You could not help but limit the discretion of the commission if you attempted to define it.

Mr. MONTGOMERY: It may be complaints are made because people feel the commission has not exercised its judgment in their favour. Mr. Beech said he wondered if there was any general rule. I think I can see what you are up against. You must be as generous as you can, and I think that is all we can expect of it.

Mr. MUTCH: I suggest that we are as generous as we can be, and if you ever think that we are not being so, I am quite sure you will want to know why.

Mr. THOMAS: What is the present weight given to medical evidence when a veteran is admitted to the service? Would it have any effect on this particular section of the act? I mean, veterans were given medical examination when they were accepted into the services, both in World War I and in World War II. But on many occasions when they were discharged they claimed pensionable disabilities on account of their service.

In many of these cases the pension board has found evidence that the condition complained of was pre-existing to their entry into the armed services, and on those grounds they have been denied pension.

Is it possible to strengthen this benefit-of-the-doubt clause by providing that some weight shall be given to the medical condition of the applicant as recorded in his medical documents upon entry into the services?

Mr. MUTCH: To begin with, in World War II, unless the man's pre-enlistment disability was recorded at the time of his enlistment and unless it was obvious or recorded if he subsequently served in a theatre of actual war, he would be pensioned for the entire disability.

Originally it was "carefully concealed or obvious or recorded". There are certainly disabilities which are obvious although one man did get into the army with an artificial leg, still, it was obvious if anybody had looked at him.

If it was recorded, and if the man was accepted into the services as thousands were with physical disabilities, it was not considered to disbar him if on the date when he was enlisted it was recorded. He is not thereby

debarred from pension, because he very often would suffer in service an aggravation of his pre-enlistment condition, and this aggravation is pensionable. That is the situation.

This is a statutory provision; and entitlement under that section does not involve section 70 directly.

Mr. THOMAS: The deputy chairman mentioned World War II. What about that?

Mr. MUTCH: In World War I the medical examination, as some of us remember, was very much more haphazard, both in getting in and getting out. But after the lapse of time, when the records of World War II are compared with those of World War I, you will find that they are not comparable. Consequently that is the reason there is such a preponderance of current awards in World War I cases which have to be made under section 70. You cannot establish entitlement from the records. These cases usually go to Appeal before they are decided. There you have the man in front of you and you believe him, or you do not believe him. You see his situation; and my colleagues resolve it under section 70.

This does not apply to the same extent in the case of World War II, where the medical examinations were much more carefully made and where the documentation was much more complete and uniform. While the commission does resort to section 20 in connection with World War II cases, we do not have to do so in anything like the same proportion of cases.

Mr. THOMAS: Has the Canadian Legion made application in former years that you should give more weight to the medical records of persons going into the armed services?

Mr. HERRIDGE: I suggest that we direct this question to representatives of the Legion when they appear before the committee.

Mr. MUTCH: I would say that they have never left anything out; but I cannot answer your question specifically.

As I recollect it, most of the representations of the Canadian Legion have been directed toward the broadening of the application of section 70. In other words, putting it in my own language, it was their view that more people should get awards under section 70 than do get them. The arguments have varied with the cases.

Mr. MONTGOMERY: I think this comes under section 13(1)(C) if I am not mistaken; but I have had complaints that decisions have been made by the board indicating that for reasons obvious or recorded, the pension was turned down; and then, upon reviewing the case on appeal, they have found that there was nothing recorded in the documents. Do you find many cases like that?

Mr. MUTCH: No, but we have found some. It occurs. There was a time when, if a man admitted on pension examination that he had suffered from some pre service condition, resort could be taken to that admission, to show that the origin was pre-enlistment.

As the act is interpreted by my colleagues today, we do not accept a condition as being recorded pre-enlistment unless there is a medical record by a recognized doctor, or the doctor appears before the commission and swears that at the time he did so record it, but as a result of fire or some other catastrophe the records no longer exist. Then his evidence is admissible under oath. But in practice, the applicant cannot admit something to destroy his own case.

Mr. MONTGOMERY: Thank you very much.

The CHAIRMAN: Are there any further questions under item 463?

Mr. THOMAS: Was there a change of ruling made in regard to the evidence of an applicant which would destroy his own case?

Mr. MUTCH: You mean as to what is "recorded?"

Mr. THOMAS: Yes.

Mr. MUTCH: Yes. In 1948 changes were made in the interest of the applicant. I will get the exact date for you.

"Wilfully and deliberately concealed" was taken out of the act at that time; that was thanks to the efforts of some who are still members of this committee, as well as of former committees. At that time it was further recommended that there be a "limitation" of "recorded". The Commission decided that a man's hearsay was not sufficient evidence to destroy his claim. It becomes hearsay to have evidence recorded by the doctor who examined him, or a sworn record by the doctor that he did in fact create such a record, but that the record was now destroyed.

Mr. WEICHEL: What is the position of the veteran of World War I who needs pension today?

Mr. MUTCH: The Act was amended in 1930 to provide that those who had commuted their pension could be restored to pension. The cases were automatically reviewed by the Commission at that time and if it was found that a pensioner's assessment on re-examination was the same as that at the time of commutation, or had increased since that time, he was restored to pension. There are none known to be still commuted and not restored.

Mr. WEICHEL: In the case of a shap receiving five per cent in cash, possibly he might come back and get a ten per cent pension later on.

Mr. MUTCH: Some of those who came back are probably 100 per cent by this time. It depends on what their condition was.

Mr. WEICHEL: I know of two or three cases like that.

Mr. MUTCH: You have in mind perhaps a man with a systemic disease, where it progresses with age. For instance—we have pensioners whose condition grows more serious year by year. I have no doubt some of them would be among that group, and some of them, if still here, would be getting the maximum pension.

Mr. WEICHEL: Have you many cases of veterans and comrades who probably neglected to be examined for pension, and who then came back after so many years and received pension?

Mr. MUTCH: Yes. Pensioners were formerly required—I am going back to World War I—to report for examination prior to the Stabilization policy. But since the establishment of the Stabilization policy, provision exists that when a pensioner is called in for re-examination and he unreasonably fails to report himself for such examination, his pension is suspended.

There have been cases where the pension was small and the man was working, or was away somewhere in an inaccessible place, and he did not appear. Many years later he may have come back and applied to have his pension reinstated.

He reports for examination, and it is found that his pension is "x" percentage, so he goes back on pension at that rate. The question of retroactive awards during the period in which he does not report would depend upon our medical advisors being able to assess what the disability was in fact during the time he did not report. Does that answer your question?

Then, provided he is able to establish that he had not served six months or more in jail his pension is reinstated. He would get two years retroactive pension under the appropriate section, and if he satisfactorily explains

why he failed to report, or where he would have no trouble in showing that his disability during that whole period was not inconsistent with his current assessment he could be reinstated as of the date he was suspended.

Mr. WEICHEL: Supposing a veteran received a pension and was asked to appear before the board, and failed to do so, what would happen?

Mr. MUTCH: He would have his pension suspended.

Mr. WEICHEL: And if he were persuaded to come back, would the pension be made retroactive to that time?

Mr. MUTCH: There again, if his reasons are acceptable, and if it can be demonstrated that his disability was consistent over the period, the commission would have the power to do so.

Mr. KENNEDY: What part do the medical officers play in processing cases?

Mr. MUTCH: Since the basis of the pension is physical or mental disability and the loss of the power to do any normal physical mental act, the medical advisors are the source of the commission's knowledge. They recommend the assessment to the Commission. That is they fix the assessment in the sense of determining what is the loss or the lessening of the power to do any normal physical or mental act. So they are the chief advisors. Their function is advisory to the commission. But in the last analysis, the decision is that of the commissioners, and it is based on all of the evidence.

So far as medical evidence is concerned, the commission leans upon its medical advisors. But when the case gets into the board room or before an appeal board, the commissioners who hear it are seized of the responsibility of considering all the implications of the legislation, of which the advice of the medical advisors may only be one part.

A medical advisor may say, for instance, that in his opinion A is not related to B. But under section 70 the Commission may grant entitlement; but this is not a reflection on the medical advisors. Their duty is limited to that of medical advisors only.

Mr. JUNG: I have seen some of the doctors at the Shaughnessy hospital interviewing some of the patients. Without any reflection on them, may I say that they appeared to be young doctors, recently graduated. Possibly they are interns. The thing that bothers me is this: are those people who are examining pensioners—in the first place they may not be aware of the actual background of the veteran. They may be very keen on the regulations, but how far can their experience take them in their diagnosis of the injury or the disability?

For example, they may be able to say that on the strength of their examination certain facts appear. But unless they have had, shall I say, some long experience or wider background in looking after these things, how much of their lack of background will have an effect? How much would it affect the recommendations which they put to the board, and if so, does the board take into consideration their—for want of a better word—inexperience in diagnosing these things?

Mr. MUTCH: I feel quite sure you are speaking of the doctors on the D.V.A. staff, and the hospital treatment staff, because while it is true our Pension Medical Examiners in your district are much longer in the tooth than any you have described, they are also much older in years and experience and they have, of course, a duplicate file showing the man's whole background. We have a practice of referrals from a Pension Medical Examiner, on our staff to the treatment branch for specialist opinion, but I hardly think it is likely the specialist to whom we would refer a case would be young in years or experience. Our own pension medical examiners are older men; they are experienced and they have at their command the duplicate files containing the whole history.

Mr. JUNG: Well, so long as they have the files at their command.

Mr. MUTCH: Yes.

Mr. JUNG: I am glad you corrected me on that because the doctors I had seen were working in the treatment clinic at Shaughnessy hospital and some of them were rather young. That is why I asked the question.

Mr. MUTCH: I hope a little later on when they are better trained, we will be able to get some of them.

Mr. MONTGOMERY: To follow that up, I think the doctors Mr. Jung is referring to would be D.V.A. staff doctors and not pension.

Mr. MUTCH: That is what I explained.

Mr. MONTGOMERY: But I would like to follow it a step further. Have you on your staff any specialists or do you have a special staff of specialists to whom referrals can be made?

Mr. MUTCH: I think it is correct to say that on the consultant staff of D.V.A.—those specialists across the country to whom the D.V.A. and the pension commission have access for opinions—are most of the outstanding specialists in the country.

The appeal board must be satisfied with the medical evidence. They may reserve their decision and refer the file and evidence to a consultant specializing in a particular type of medicine which is involved. We have at our command ready access to all of the staff of D.V.A. and their hospitals across the country, plus access to the consultants who serve them. In the consideration of his case, it is possible for a pensioner—and this is quite usual—to have the benefit of medical evidence from a consultant, which perhaps some of us could not afford to buy in ordinary life. They are magnificently served by the medical profession in that capacity.

Mr. MONTGOMERY: I understand if the board are not satisfied, they can refer; but can the veteran at the expense of the pension commission have his case referred to a specialist?

Mr. MUTCH: Yes, it is possible. The commission may decide he does not need such advise or if it is the first application they may ask him to get an opinion; and on presentation of that opinion then the chief medical adviser would order the man examined, and his application would be processed.

Mr. LUCIEN LALONDE (*Deputy Minister, Department of Veterans Affairs*): I would like to point out to the committee that the veterans bureau, representing the applicants, have at their disposal all of our treatment services to prepare the case of each applicant. They are in direct contact every day with the consultants in every hospital, and the cost is charged to treatment services. That does not cost the applicant anything.

Mr. MUTCH: That is before they get to us.

Mr. LALONDE: Yes.

Mr. MUTCH: Not being satisfied, we may go to another consultant—the appeal board may or the commission may—and get an additional opinion, but normally you do not.

Mr. LENNARD: Are these consultants supplied by the Department of Veterans Affairs or are they independent of it?

Mr. MUTCH: I think the deputy minister should answer your question.

Mr. LALONDE: They are supplied by the department.

Mr. LENNARD: It is not an independent opinion then?

Mr. LALONDE: It is independent of the pension commission.

Mr. LENNARD: They are all in the same groove; they are part of the Department of Veterans Affairs.

Mr. LALONDE: Well, we feel very strongly that the veterans bureau is never at any time influenced by the Canadian Pension Commission; on the contrary, I can assure you that they try to get a favourable decision in each case.

Mr. LENNARD: Would you take the opinion of an independent consultant?

Mr. LALONDE: If it is necessary, yes. There are cases where the applicant brings in outside doctors.

Mr. MACDONALD (*Kings*): That is similar to the question I wish to ask, Mr. Chairman. How much choice has the veteran in selecting his own specialist?

Mr. LALONDE: Well, it varies with each case. An applicant for pension may have been treated by an outside specialist who knows the background of his case; he gives that information to the pension advocate who will go to that doctor to get an opinion. The pension advocate may want to give more weight to that evidence and have it corroborated by one of our consultants. That happens frequently.

Mr. MCINTOSH: Following up that same argument, are there many occasions when your commission will accept the word of the outside consultant over that of your commission consultant?

Mr. MUTCH: I am sorry, Mr. McIntosh, I missed the first part of your question.

Mr. MCINTOSH: Mr. Montgomery just asked a question about the applicant getting an outside specialist to give his findings, which may conflict with the department's consultant. Now, does the commission at any time, or on very many occasions, take the advice of the outside consultant over that of the commission consultant?

Mr. MUTCH: It does happen. But the commission are bound, not by statute, but by what they themselves describe as the weight of evidence. It has happened in my experience that three outside doctors gave an adverse opinion, and that one somewhat junior doctor on the staff of D.V.A. made such a careful—I was going to say ingenious, but that would not be fair to him—skilful presentation of the case that the man's application succeeded under section 70 in spite of the fact the weight of medical evidence was against him. I do not suggest this is an ordinary occurrence, but it is possible and has happened.

Mr. MCINTOSH: It is not concerned with weight of numbers, but weight of evidence?

Mr. MUTCH: Yes. You asked whether or not the commission could obtain outside information from doctors who were not in any way related to D.V.A. I can tell you that the commissions medical advisers have sought consultation from the American government: that is, the United States Veterans Administration, from specialists like Dr. White, the eminent heart specialist, and a number of eminent specialists in the United Kingdom, in order to be able to obtain a broader consensus of opinion and thereby advise my colleagues on the commission what the weight of medical evidence is. The commission pays for that, not the applicant.

Mr. MONTGOMERY: Then when it comes to writting the decision, is that written by a doctor or by a member of the commission?

Mr. MUTCH: It is written by a member of the commission.

Mr. MONTGOMERY: Have you some medical men on the commission?

Mr. MUTCH: Yes, we have five medical men on the commission.

Mr. MONTGOMERY: But the decision may or may not be written by one of those?

Mr. MUTCH: Yes. If he heard the case. One of the three men who heard the case, in the case of an appeal board, writes it and the others concur and all sign it.

Mr. BEECH: Is there any identification?

Mr. MUTCH: In the case of an appeal board there is no purpose in not disclosing the identification because the applicant appeared before the Board and he knows who his judges were. The only place where we do not normally disclose the source of evidence is in the case of outside medical consultants. On Appeal Boards it would not matter because the man knows who is there; but in ordinary cases we do not disclose the name of a consultant, and this is at the request of the consultants themselves because there were, unfortunately, occurrences in the past where one or two were shot and they seem to be allergic to it.

Mr. MONTGOMERY: I take it the board knows who writes the case out. You must have some identification number.

Mr. MUTCH: In the case of the appeal board, there are only three there and they must all sign it. So that is the result of consultation and I do not know that it matters which one wrote it in the first instance.

Mr. MONTGOMERY: I am referring to the ordinary case that is dealt with. I understand last year we were told that one commissioner writes the case up and it is reviewed by two others and signed. I presume the commission itself knows who wrote the case up.

Mr. MUTCH: Oh yes, we know. Every morning in the commission there are anywhere from an average of 90 to 118 entitlement cases which are distributed among the commissioners who are in the office that week, and they review the evidence and prepare the decisions. Then those decisions go back to the board room and are signed by two commissioners in each case. The man who prepares the decision does not, normally. He may under certain circumstances subsequently receive it for signature; but the effective signatures are the two who sign it in the board room. Another fact is that it does not make any difference whether the man who wrote the decision was a commissioner or someone writing under his direction, because the responsibility for the decision lies with the Commissioners who signed it. But in practice no one but Commissioners do write them.

Mr. WEICHEL: I would like to ask a question, Mr. Chairman. Can any pensioner request an annual medical examination or must he be a certain percentage?

Mr. MUTCH: Any pensioner can appear before the P.M.E. in his district and request examination for his pensionable disability, if he is of the opinion that his condition has worsened since his last examination. I cannot think of any possibility of that being denied, that is for the pensionable condition, unless his disability is one of those for which the medical advisers feel that no possible recognizable deterioration would have taken place. Say, for example, if he was examined in September and came back the first part of December and says he is not satisfied and wants to be re-examined, it is conceivable we might say: no, nothing can be added to your recent examination; go home and wait three months or until you get some evidence that you have worsened in that time.

Mr. WEICHEL: What I mean, suppose in my own case I am well and I have asked for an annual examination just for a checkup. I believe that request has been granted because I have been going to London probably once a year.

Mr. MUTCH: Well, from your own experience you know. If as a pensioner, you feel your condition has worsened and you have any evidence at all, you have no trouble getting an examination.

Mr. O'LEARY: I must apologize, but this question might have been asked while I was attending the fisheries committee this morning. Is it true that there is no responsibility on the part of the commission to establish diagnosis?

Mr. MUTCH: This question was not asked. Would you please expand it.

Mr. O'LEARY: Maybe I can clarify it further. I know we do not want to discuss specific cases, but with your permission, Mr. Chairman, I would like to cite the facts in this particular case. I would like to determine the responsibility for establishing diagnosis.

Mr. MUTCH: Well, the commission relies on the medical advisers for the establishment of a diagnosis and the medical adviser may have to direct that the P.M.E. in the district get outside opinion. But the first responsibility in establishing that diagnosis is on the applicant himself. If he were a pensioner that would make a difference, but on first application he would have to establish it himself.

Mr. O'LEARY: In other words, he would attempt to establish it by consulting his own doctor?

Mr. MUTCH: That is, provided there is nothing in his documents at the time of his discharge or during his service which would lead the medical advisers to think that there was justification for examining the condition for which he now claimed.

Mr. O'LEARY: That is why I must cite this specific case. First, on discharge, this particular man was diagnosed as having narcolepsy.

Mr. MUTCH: I know the case.

Mr. O'LEARY: He was investigated at Camp Hill and his history was not characteristic of narcolepsy; and at a further time there was no evidence to support the diagnosis of narcolepsy. Now, at the present time the diagnosis has not yet been established. Who in the world is going to establish this diagnosis?

Mr. MUTCH: The responsibility in that case would lie with the applicant himself. The commission has no way of establishing a diagnosis other than to refer him for examination. As you have said, this man has had four different diagnostic examinations, the results of which are inconclusive. That is a fair statement.

Mr. O'LEARY: What are you going to advise him to do? First, he was diagnosed on discharge as having narcolepsy. Now the commission rules he does not. I ask the question: if he has not that, what has he got? He has something. Who is going to determine it?

Mr. MUTCH: That gets into the realm of conjecture, where I have no qualifications.

Mr. O'LEARY: Somebody has the responsibility.

Mr. MUTCH: Well, in the first instance, the applicant himself has the first responsibility to establish his entitlement.

Mr. O'LEARY: Well, if I may be permitted, irrespective of the pension commission, what can we advise him to do? To whom is he going to go to establish his case?

Mr. ANDERSON: I think the best thing for him to do would be to obtain a doctor of his own choice and have the doctor say what is wrong with him; then make his application.

Mr. O'LEARY: He has done that.

Mr. MUTCH: The government has examined this man four times at his request and at commission expense. We have been unable to establish any firm diagnosis, and under the circumstances I suggest to you, as my chief has said, until such time as he can confront the commission with a firm diagnosis which they can accept, there is nothing more the commission can do.

Mr. O'LEARY: I do not wish to follow it any further, except to say, if he does not have narcolepsy, is the commission concerned whether or not he has something else?

Mr. MUTCH: I do not like the way you phrased that question. The commission is concerned within its limits of powers and responsibilities with anything that happens to any veteran, but we are not seized with the authority to do anything further than we have done for him. We operate under the statute.

Mr. O'LEARY: So your advice is to have him go to his own physician?

Mr. MUTCH: Yes.

Mr. O'LEARY: And to have a certificate from him?

Mr. MUTCH: Yes, or from a recognized authority on narcolepsy.

Mr. ANDERSON: That would be better.

Mr. MUTCH: We have had ordinary diagnosis; you need a specialist.

Mr. MCINTOSH: I am glad that other question was asked. Has the department any record of the number of cases where an application has been made for a pension and they have been turned down by the commission?

Mr. MUTCH: Turned down?

Mr. MCINTOSH: Yes, for pension. Can you give me the figure percentage-wise? Is it great or small? I do not need the exact numbers.

Mr. MUTCH: I think I can furnish you with what you wish right away.

Mr. MCINTOSH: I have another question following that. On second application, or third or fourth, how many of those are granted?

Mr. MUTCH: I think when I answer one, I can answer both.

Mr. MCINTOSH: I can proceed further with this while you are looking through your records.

Mr. MUTCH: We have the figures here; I will get them for you in a moment.

Mr. MCINTOSH: While you are looking, I might say in several instances I have not been too happy with the records in these medical cases that have been kept during World War II, because when a dispute arises between two different consultants, one from the department and one from the general public, it seems to me that the commission takes the advice of those from the department; and in a dispute like that possibly the applicant is the only one who knows when his disability originated, if it was medical and not physical.

Mr. HERRIDGE: What is the distinction between medical and physical?

Mr. MCINTOSH: One is visible and the other is internal.

Mr. MUTCH: I was trying to think how to answer you. You are distinguishing what we would call "readily apparent disability"; in other words, etxernal as against systemic disease.

Mr. MCINTOSH: I would not imagine you would have much trouble with this. It would be something internal, or something which did not develop to such an extent that the man was incapable of performing his duties, was still troubled with it and was possibly troubled with it after his discharge to such an extent that possibly he could not carry on any more. I have known cases where the pension commission did reject and in this case I know personally that the man was aware that it did develop while he was in the service.

Mr. MUTCH: I gather your question now is that you are asking whether or not the commission does not sometimes ignore post-service aggravation of a service incurred condition.

Mr. MCINTOSH: You ignore it on medical advice?

Mr. MUTCH: Yes, because the doctors sometimes say while this man had a certain condition during service, the subsequent development of this is not related to service as such. Is that it?

Mr. McINTOSH: A private doctor may say in going back over an individual's history that this did originate at such and such a date while he was in the service, although it may not be recorded in his documents. He may have been in the hospital and discharged A.N.D.; and the commission doctors will say that was not the cause at all, that they gave him certain tests and there was no showing of a nailment such as that.

Mr. MUTCH: There could be times, no doubt, when the commission on its own responsibility, with the advice of its advisers, disagree with the diagnosis of the doctor of choice on the spot. However, I cannot think of any possible way to avoid that.

Mr. McINTOSH: Well, I agree with you on that. I was just wondering what the percentage of your cases was.

Mr. MUTCH: It is not kept. I think they would be comparatively low; and the reason I say that is that we have respect for the probity of the ordinary practising doctor, in spite of the fact he may have attended the lad from the time he was born and been his family physician. Ther are doctors who are like some other people of whom it is said: "it is a poor man who will not promise a friend a pup". But we have a habit in the commission of requiring these doctors who give evidence as to the relationship of disabilities to appear before the commission, where they are put on oath. Personally I do not know any doctors who would put themselves in that position. The odd time a doctor will give an opinion to the applicant, or to the veterans bureau. Then he will be summoned before the Appeal Board and say—and I am not suggesting it is not in good faith—"Gentlemen, it is true I signed this, but at the time of my examination I was not aware of all the facts".

Mr. McINTOSH: Did I understand you to say you had no record of the applications that had been rejected?

Mr. MUTCH: You asked me for the ones that had been rejected against the advice of the local doctor. The total numbers of W.W. II cases heard have been prepared for me. From September 1, 1939, to January 1, 1959—these are World War II cases with service in Canada—there were granted 55,887; not granted, 137,783. That is a total of 193,670.

Mr. McINTOSH: In other words, you accept about one third of the applications?

Mr. MUTCH: A little better than one third of the applications of these World War II cases with service in Canada were favourable, percentagewise it is, accepted, 28.86; rejected, 71.14. In World War II cases with service outside Canada, the percentage granted is 64.05%.

Mr. STEARNS: May I ask, Mr. Mutch, how many pensioners we have who are pensioned for mental disabilities? Are there many?

Mr. MUTCH: I could get you that information.

Mr. STEARNS: I just wondered if there were a number—because how do you review those cases? They might be sick today, and well next week for a short time.

Mr. MUTCH: The ones that are readily accessible are ones who are undergoing institutional care. It would be easy to get that figure.

You are perhaps aware that it has not been the policy of the Commission over many years to make payment of pensions in respect to lesser mental disorders, on the basis that it is bad therapy. When you tag a man with a mental disability, he is likely to quit. So those figures would be pretty nebulous. The cases that are institutionalized could be easily obtained; but I have not those figures here. We do not encourage people who are mentally disturbed to believe it themselves, by paying them for it.

Mr. STEARNS: So they are taken care of by veterans allowances while they are sick?

Mr. MUTCH: They are assisted in our district offices, in very many cases, to find suitable employment where they are able to justify themselves to themselves, and forget they are sick.

Mr. JUNG: Mr. Mutch, you may not wish to answer this next question because it may involve a question of professional recognition. Has the pension commission ever recognized evidence by a chiropractor?

Mr. MUTCH: As such?

Mr. JUNG: A chiropractor who is a chiropractor only; and then a person who is also an M.D. and a chiropractor.

Mr. MUTCH: I can answer the question by saying that the commission considers all available evidence. If you ask me how my colleagues weigh the evidence of a chiropractor against the evidence of a consultant or doctor of choice, I cannot answer that; and I doubt if the Commissioners could, or would. For certain purposes the evidence might be very valuable. For factors involving internal medicine, I do not think it would be rated very highly. That is my opinion.

Mr. JUNG: I realize that. There is one doctor in Vancouver whom I know personally. He is a doctor who did work for the department at one time, I think. He was also a chiropractor, and I was wondering whether or not his services have ever been sought.

Mr. MUTCH: I would expect, not professionally. That is, in his capacity as a chiropractor. There are a number of osteopaths who are qualified doctors and who give expert opinions if they are asked for them. You are asking me whether we recognize a chiropractor's opinion as expert evidence.

Mr. JUNG: That is why I said you may not wish to answer the question.

Mr. MUTCH: I have answered the question the only way I can. We take everybody's evidence and weight it in accordance with the facts.

Mr. SPEAKMAN: I will add a little bit to the baptism of fire of the new chairman of the Pension Commission.

During the Easter recess I had occasion to visit a hospital ward of World War I veterans, all of whom were 50 per cent or more pensioners and all of whom were in the hospital for what the Pension Commission considered to be not related illnesses. These men were all 60 years of age and over, and in the main their pensionable disabilities arose from gas and shell-shock in the first World War, and their present illnesses are a result of a general physical deterioration. Yet no recognition is given to that deterioration by the Pension Commission with respect to (a) treatment, and (b) additional pension.

I should like to know if it is because of the rigidity of the regulations that that is so, because we realize that the present condition of these people perhaps cannot be immediately or closely related to their pensionable disability, but at the same time I think in all fairness we would have to say that this deterioration comes as a result of their pensionable disability.

Mr. MUTCH: If you are addressing that to me, I would think that without having all the facts of the case it would be impossible to assess the relationship of a condition which may be their disabling condition at the present moment to the disability for which they are receiving a 50 per cent pension. These men may be suffering from the process of senility which is not pensionable per se. Some of them are. But you said they all had a 50 per cent pension?

Mr. SPEAKMAN: All 50 per cent and over.

Mr. MUTCH: And are they hospitalized because of their pensionable condition?

Mr. SPEAKMAN: No.

Mr. MUTCH: How did they get in? How are they hospitalized? Are they hospitalized because of war veterans allowances?

Mr. SPEAKMAN: No. I will cite one specific case, the one that I was most closely interested in. This man is 60. He was granted a pension of 50 per cent about 1932, which was an upward revision from an original award in 1922 of 5 per cent. The pension was for gas and shell shock.

During the past two years he has spent something like 19 months in hospital with various illnesses, and I would suggest that they are aggravated, or brought on, perhaps, by his pensionable disability. Yet he has been requested, of course, to pay for his hospitalization, and he is not in a financial condition to be able to pay. There is no consideration being given to looking after his treatment or to an increase in his pension, although he is completely unable to work and is totally incapacitated.

Mr. MUTCH: The Pension Commission has no authority to extend other treatment or benefit to a pensioner for any condition which has not been ruled as being related to his service or his pensionable disability. First of all, he comes through the door of entitlement; he is entitled to hospitalization at any time for his recognized pensionable disability. Beyond that, the department recognizes him for treatment. But the pension commission does not enter the picture beyond that, unless he has other conditions which are eventually ruled to be either consequential and related to his pensionable condition or to be directly connected to his service. So we do not enter into that.

Mr. SPEAKMAN: That is what I am getting at. Why? Because this man has been recognized as a 50 per cent pensioner—not for a physical disability or an external disability, but for an internal disability. He has had various short periods of hospitalization for his pensionable disability since the time of his service in World War I.

He is not senile, as you suggest—not at 60 years of age. Mentally he is a very alert man, but his condition has deteriorated to the extent that he is no longer able to earn anything. My suggestion is that perhaps we should look into these things, because with internal injuries caused by gas and shell shock there is no outward evidence and I presume it is very difficult to determine the exact extent of the injury as such.

Mr. MUTCH: An answer to your question, I suggest to you, would be better given by the treatment branch than by the commission. We have no power to deal at all—as I said before—with anything other than those conditions which are pensionable and for which pension has been awarded.

Mr. SPEAKMAN: Well, perhaps I am not making myself very clear. What I am trying to get at is this. In cases of this nature, where it is difficult to draw an exact line as to the aggravation, does not the pension commission think that they should perhaps assume a little more responsibility?

Mr. ANDERSON: Has this particular person made application for an increased assessment?

Mr. SPEAKMAN: Quite.

Mr. ANDERSON: That would be the answer, really.

Mr. SPEAKMAN: He was hospitalized on one occasion for over 14 months, from which time he made repeated requests for an increase in his pension.

Mr. ANDERSON: That would be the answer, if he could establish an increase in his assessment.

Mr. SPEAKMAN: He has made repeated requests, which were not recognized.

Mr. MONTGOMERY: Was it ever followed up beyond the first medical examination?

Mr. SPEAKMAN: Well, I am following it up now.

Mr. MUTCH: You appreciate, gentlemen, the impossibility of my giving you an intelligent guess on the situation. I will say this, that if you will give me the information in this case, I will get the file and, to the best of my ability, tell you what he has, why he got it and why he cannot get anything else, if he cannot.

Mr. SPEAKMAN: I will do better than that, Mr. Mutch. I will write to Edmonton and get the record of his hospitalization over the last two years, and we will tie that in with his record.

Mr. MUTCH: We will have all that.

Mr. SPEAKMAN: You will have his service, not the hospital record.

Mr. MUTCH: Yes, we will have his hospital record. Was he in a departmental hospital?

Mr. SPEAKMAN: Yes, he is not at the Pavillon.

Mr. MUTCH: Tell me who he is, what his number is, and I will tell you what we know about him.

Mr. SPEAKMAN: I will look that up.

Mr. MACDONALD (*Kings*): Are gas casualties from the first world war eligible for the automatic increases at certain ages, as are people with gunshot wounds?

Mr. MUTCH: I will have to say the answer to that is "No".

Mr. BEECH: Getting on to the estimates, Mr. Chairman, I notice that the 26 medical officers grade 2 are not there any more. They have all been increased to medical officers grades 3 and 4. Does that mean we are getting better medical officers, or is that just a way of getting an increase in salary?

Mr. MUTCH: That was a reclassification due to a statutory increase, of course.

Mr. BEECH: So you are not going to have any more medical officers grade 2—they are all wiped out?

Mr. MUTCH: I cannot give you a categorical answer to that.

Mr. LALONDE: I can give you this information. Last year the Civil Service Commission made a survey of all medical positions in all departments across Canada and came up with a new scale. This change is a result of that survey.

Mr. BEECH: The same thing applies, I suppose, to the supervising clerks. I see there were 24 principal clerks last year, and now there are only 16. They have all been made supervising clerks now. I suppose that is all in line with what you have said?

Mr. MUTCH: I did not quite hear your question.

Mr. BEECH: I notice that last year there were 24 principal clerks, and this year there are only 16, but there are 15 supervising clerks. I imagine they have been changed and elevated there also?

Mr. MUTCH: This is the result of the Civil Service Commission re-classifying their duties. If one has gone down a grade, the other has gone up a grade, in accordance with the review going on by the Civil Service Commission.

Mr. THOMAS: Before we get down to the details of the estimates, there are two more questions I would like to ask. I would first like to revert to the restoration of pensions that was brought up by, I believe, Mr. Herridge.

Mr. HERRIDGE: No.

Mr. THOMAS: By Mr. Weichel. Mr. Mutch mentioned that imprisonment might have an effect there. I wonder if he could enlarge on that, with this in view. Is the matter of using pensions, therefore, for disciplinary purposes possible?

Mr. MUTCH: It is statutory. The statute provides that when a man is sentenced to a term of imprisonment in excess of six months, the pension on his behalf is suspended during the period of his incarceration. But if he has a wife and dependent children, the commission has the power, under the act, to continue to pay that pension to the wife for administration on behalf of herself and the children, together with the additional pension payable to the children under those circumstances.

The commission has very broad discretion in respect to section 90 in the act. For instance, in one case of which I am aware we continued pension to a pensioner, who was a prisoner, during the whole of his term of imprisonment, because he utilized his imprisonment to take, very successfully, a course of education which we felt would assist him to rehabilitate himself when he got out.

The discretion is very broad. But normally he forfeits his pension during the period he is in prison, if he is sentenced to a term of more than six months. Have I helped you?

Mr. THOMAS: It does not necessarily cut off benefit of his pension from any dependents he might have?

Mr. MUTCH: That is always reviewed on application to the commission, and the commission has the power to, and very frequently does, continue the pension in whole or in part to his family for administration, and allows the additional pension that flows to them.

Mr. THOMAS: Thank you. The other question, Mr. Chairman, has to do with this question of automatic increases on account of age to those pensioners who are pensioned because of disabilities caused by gas in World War I. Can you give us any idea why this distinction is made? I understand, for instance, that if a person is an amputee, or has some other pensionable disabilities, he receives automatic increases on account of age. Why not in the case of those who have suffered disability through being gassed?

Mr. MUTCH: The residual effects of gassing are found in conditions which we describe as systemic diseases. They are not the result of trauma; they are not the result of amputation, shooting, or something of that kind.

The Pension Act provides, once entitlement is granted, that the pension rate increases, upon examination from time to time, as the disability from it continues to grow. The pension may, and often does, go as high as 100 per cent. Consequently, the principle of automatic increases with age has never been applied to those conditions which, as I said, are described as systemic diseases.

In its origin, the automatic increase with age was granted for amputees, because it was said that once your arm was off at the elbow, you were never going to get better. It was argued at that time that these men with amps, particularly leg amps, as they grew older and heavier, while their original disability could not increase, their actual disability got worse as far as earning a living was concerned. So in the beginning it was a special provision for amps. Then it was broadened a couple of times after that. But it has never been broadened to include disabilities which may be pensioned at a higher rate at any time when, upon examination, the disability from the condition has been demonstrated to have increased.

Mr. WEICHEL: Mr. Chairman, I was going to ask Mr. Mutch this question. In the case that Mr. Speakman was talking about, what pourcentage of badly shell-knocked and gassed veterans are eventually brought back through hospital treatment so that they can follow their daily obligations? I was wondering how treatment is benefiting those cases.

Mr. HERRIDGE: What obligations do you mean? Work and—

Mr. WEICHEL: Any obligations such as you and I have.

Mr. MUTCH: I do not know where personal opinion and history divides itself here. Actually, there are very few, if any, persons who are being pensioned for gassing as such. There are persons who are pensioned for conditions which may have resulted from gassing or from something else. But gassing as such, if the man who was gassed survived, has not been and is not pensioned as a disabling condition. The residual effects may be. But gassing as such, no. Does that answer your question?

Mr. WEICHEL: I was wondering whether the treatment they are receiving is quite effective; if it is bringing these fellows back to normal health.

Mr. MUTCH: You mean the gassed patients?

Mr. WEICHEL: Yes; and shell-schocked people. I remember at Westminster hospital men who have been there for 15 and 20 years who are shell-shock cases, and I was just wondering if they ever have a chance to recover enough to take an active part in daily life.

Mr. MUTCH: There are not too many who are pensioned for shell shock as such.

Mr. WEICHEL: But if there are?

Mr. MUTCH: If they have that entitlement and manifest symptoms of it, they would be entitled to treatment. So far as gassing is concerned, I doubt if anyone seriously affected by gas has been alive for the last 15 or 18 years.

Mr. WEICHEL: With regard to these shell-shocked cases in the hospitals, they may not be pensioned but they are being looked after?

Mr. MUTCH: Yes. They are called functional nervous cases. There were no shell-shocked cases in World War II, and the World War I's, so defined, are called functional nervous cases. They are looked after.

Mr. SPEAKMAN: They were called "bomb-whacky", not "shell-shocked", in the last war.

Mr. MCINTOSH: Referring to the estimates, Mr. Chairman, and the classification of medical officers, are these men full-time employees of the department? If so, how does their income compare with the average income of a similar profession as recorded in the press each year—averagewise?

Mr. MUTCH: The medical officers of the Pension Commission are occupied in full-time. It is provided that they may have outside activities, out of office hours with the approval of an Order in Council; but the extent to which that is taken advantage of is limited.

The Pension Commission medical examiners in the districts are also full-time officers. The only medical people who are not full-time are those consultants to whom we have access, outside of the D.V.A.

Mr. MCINTOSH: That answers the first half of my question. The second half—

Mr. MUTCH: As to their salaries—how they compare?

Mr. ANDERSON: Is it a question of how they compare with salaries of other medical officers being paid on a salary basis, or with other medical people in public practice?

Mr. MCINTOSH: With other medical people.

Mr. MUTCH: To answer that question I would have to get a comparison—which I would like to call an informed guess—from the Canadian Medical Association—

Mr. MCINTOSH: Actually, those figures are published, I believe, in the *Financial Post* from statistics taken from the Department of National Revenue each year.

Mr. LALONDE: May I point out, Mr. McIntosh, that this is the declared income. As I said a moment ago, last year, following representations made over a period of time, the Civil Service Commission decided there was quite a bit of difficulty in recruiting doctors for the Civil Service, and this was not specifically applicable only to the Pension Commission or the department; it was a general situation which applied to all departments.

Mr. MCINTOSH: I have no intention of casting any reflection on the doctors employed on your staff, but I was wondering whether the type of doctor that you have on your staff could have earned more in public practice than you are paying. In other words, what type of doctors have we as consultants?

Mr. WEBSTER: The doctor who is employed by the department has his nurses, his office, equipment and everything else supplied, whereas the civilian doctor would have to supply them himself.

Mr. MCINTOSH: That is what I am trying to find out.

Mr. LALONDE: The only answer we can give you is that the pay research bureau of the Civil Service Commission, having established an average income for doctors outside the Civil Service, and wanting to apply the rule that the income in the Civil Service should be comparable to that outside the Civil Service, has come up with those figures.

Mr. MCINTOSH: Are you having any trouble finding doctors to cover these positions?

Mr. MUTCH: There is just one major difficulty, and that is this. Once or twice in the last few years it has been somewhat difficult to preserve what we have adhered to in the way of a requirement that the doctors employed by the commission shall have had military service.

You can realize that the World War I doctors, like the rest of us, are wearing out; and those of World War II, the ones we want are not too quick to go into institutionalized work. But I think it would be fair to say that at the present time we are having less difficulty than we had a few years ago and that we are not being unduly deprived of good, competent officers.

Mr. MCINTOSH: I am very much interested in the statement that you made to the effect that you are having great difficulty in getting the ones that you want to come to the department.

Mr. MUTCH: There are the smart, up-coming ones, who might be able to make more money somewhere else.

Mr. MCINTOSH: What seems to be their objection to coming to the department? Is it the salary?

Mr. MUTCH: People in this country, generally, who are established at all, do not break their necks to get into the Civil Service in good times.

Mr. BEECH: I notice there are 10 new administrative officers appointed. What is their functions?

Mr. MUTCH: Where is that, Mr. Beech?

Mr. BEECH: In the estimates. You have administrative officers grades 1, 2 and 3, and there are now 10 administrative officers grade 1.

Mr. MACRAE: That is page 563, I think.

Mr. MUTCH: Actually, the detail of this is more than I can carry in my head. There has been a reclassification throughout. You will notice whereas formerly we had 420 all groups, there are now 419. There is a decrease of one, but it is a matter of adjusting duties in conjunction with the Civil Service Commission in surveying the various groups. It is as a result of review of positions and reclassification.

Mr. MONTGOMERY: I notice that last year there were 12 head clerks and that this year there is one.

Mr. MUTCH: Some of those have become administrative officers, class 1. They have been granted an increase because they have been asked to accept more responsibility.

Mr. MACDONALD (*Kings*): There is an item concerning pension visitors. Could you tell us what they do?

Mr. MUTCH: Yes. The commission has authority to employ, at district offices, certain persons whose responsibility it is to make investigations upon which the commission can base its decision. Unfortunately the coverage of pension visits across Canada is not as broad as it once was because we have, as a matter of policy, resorted to the practice of getting the services, in many districts, of the war veterans allowance officers who are investigators; they make reports for us. However, whoever does it, this function is performed at the request of the Commission to search into the financial circumstances of an applicant. Of course that would not apply to a veterans entitlement to disability pension. It is mostly in cases of the dependents, separated husbands and wives, and children from broken homes, and that type of thing. That is the nature of it.

Mr. MONTGOMERY: Quite a few of these persons are ladies?

Mr. MUTCH: A percentage are, particularly in the cities. One of the most valuable we had was a lady who unfortunately retired since the last Committee.

Item agreed to.

CANADIAN PENSION COMMISSION

464. 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 $151,474,000

The CHAIRMAN: We have spilled over into this item during the general discussion. Have we any further questions on item 464? It is on page 82 and the details are on page 564.

Mr. HERRIDGE: What would these Newfoundland special awards be composed of?

Mr. MUTCH: These were awards which were taken over at the time of confederation which did not fit into the provisions of Canadian legislation as it then existed.

Mr. MONTGOMERY: Does the item in respect of the compensation order include accidents in the Department of Transport or others?

Mr. MUTCH: It applies to persons in any branch of the government service. By direction of the Privy Council it is administered by the Pension Commission. It is in respect of accidents which occur to a civil servant in the course of his duties. The adjudication of it is provided for by the order in council. It is in respect of a non-scheduled flight. Regular airline services are protected.

Mr. WEICHEL: When a man is badly hurt in manoeuvers in the reserve army does that come under the defence forces—the peace time forces?

Mr. MUTCH: You mean does he come under it for pension?

Mr. WEICHEL: Yes.

Mr. MUTCH: If his death or injury arises out of, or is directly connected with his service as such, he would have entitlement under section 13 of the Pension Act. That provision is there.

Mr. McINTOSH: Have we reached the item which covers gallantry awards and so on?

The CHAIRMAN: That is the next item.

Item 464 agreed to.

CANADIAN PENSION COMMISSION

465. Gallantry Awards—World War II and Special Force ..... $ 21,000

Mr. McINTOSH: I have a question in respect of World War I recipients of the military medal. I understand that the Canadian Legion at the dominion convention held in Vancouver recommended, as I understand it, that the same provisions apply to World War I recipients as apply to World War II recipients. As I understand it, World War II recipients of the military medal received $100. That did not apply to the World War I recipients of the military medal. Has anything been done about that?

Mr. MUTCH: These awards are all paid by the United Kingdom in respect of World War I. They did not make financial awards for recipients of the military medal in World War I. Negotiations have been going on between the government of Great Britain and my minister with reference to the ultimate disposition of this. The situation at the moment is that the recipients of the military medal from World War I are not in receipt of a monetary award as they are in respect of World War II.

The World War II awards were taken over by the Canadian government, whereas in the case of World War I they were paid by the British. It is still a matter of active discussion between the Department of Veterans Affairs and its counterpart in the British government. There is no provision at the moment for payment of a monetary award for the military medal in World War I.

Mr. ROGERS: What is the award for the D.C.M.?

Mr. MUTCH: A $100 gratuity. If he is awarded a disability service pension he is entitled to a veterans allowance of 12½ cents per day in lieu of the gratuity.

Mr. McINTOSH: Could I be advised by one of the members in the department what the reasoning is behind our government paying the World War II recipients and not the World War I recipients? Why the discrimination?

Mr. ANDERSON: I think the answer is nobody paid the World War I recipients. There was no payment made in World War I by Canada at all. The awards were granted by the British, and Canada paid nothing in World War I to anybody. They took it over in the second world war. There is provision for paying in respect to World War II but none in respect of the first world war.

Mr. WEICHEL: I believe the British award under the D.C.M. is doubled.

Mr. MUTCH: Just recently.

Mr. McINTOSH: Can anyone say when this negotiation which is still under way will be settled?

Mr. MUTCH: The last correspondence I saw was a reply which did not amount to an answer and I minuted it to my minister, saying that it leaves the main question unanswered. I cannot give you anything more than that. I do not think there is anything more.

Mr. HERRIDGE: Would it require legislation to authorize the payment of awards in respect of decorations in the first world war?

Mr. LALONDE: I think it would require an item in the estimates. Last fall, Mr. Boyd-Carpenter in the United Kingdom discussed this with the minister. There has been some correspondence between the two governments

since then. There have been side issues which have developed and these are being considered now by our minister together with the minister for the United Kingdom. I think it would require an agreement to the effect that Her Majesty would relinquish this authority which she has had over the granting of awards and gratuities and pass this on to the Canadian government. It would, of course, have to be accepted by the Canadian government as well. This is in the process of negotiation at the moment.

Mr. McINTOSH: Would a recommendation from this committee assist the minister in any way, or is it necessary?

Mr. LALONDE: I do not think it is necessary. I know the minister has received the suggestion. He is studying the implications with the United Kingdom government and I think there should be some solution.

Mr. McINTOSH: As deputy minister, could you give us any information as to when you think the negotiations will be concluded?

Mr. LALONDE: That is a little hard to say, but I think it would not take very long.

Mr. McINTOSH: During the year 1959?

Mr. LALONDE: I think so.

Mr. HERRIDGE: I think this matter could be very quickly cleared up in the Progressive Conservative caucus.

Item 465 agreed to.

The CHAIRMAN: That concludes our consideration of the estimates of the Canadian Pension Commission and, coincidentally it is almost one o'clock.

We meet again at 3:30 on Monday and will continue our consideration of the brief from the Canadian Legion.

Have we any questions at this time?

Mr. WEICHEL: Is the disabled veteran of the second world war who has the military medal paid so much per year, the same as in the case of the D.C.M.?

Mr. MUTCH: If he is pensionable he would get 12½ cents a day in lieu of the lump award.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 9

Estimates 1959-60 of the Department of Veterans Affairs

MONDAY, APRIL 13, 1959

RECEIVED
APR 22 1959
Library of Parliament

WITNESSES:

Mr. D. M. Thompson, Canadian Legion; Mr. L. A. Mutch, Canadian Pension Commission; Mr. F. J. G. Garneau, War Veterans Allowance Board; Mr. Lucien Lalonde, Deputy Minister, Veterans Affairs; Dr. John N. Crawford, Director of Medical Services.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

20959-3—1

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.,

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

Badanai	Herridge	Peters
Batten	Jung	Pugh
Beech	Kennedy	Roberge
Benidickson	Lennard	Robinson
Broome	Macdonald (*Kings*)	Rogers
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 112-N.
MONDAY, April 13, 1959.

The Standing Committee on Veterans Affairs met at 3.30 o'clock p.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Badanai, Beech, Carter, Clancy, Dinsdale, Fane, Forgie, Kennedy, Lennard, Macdonald (*Kings*), MacEwan, MacRae, Matthews, McIntosh, Montgomery, O'Leary, Parizeau, Robinson, Rogers, Speakman, Stewart, Weichel, Winkler.

In attendance: From the Department of Veterans Affairs: Mr. Lucien Lalonde, Deputy Minister, Mr. F. T. Mace, Assistant Deputy Minister; Dr. John N. Crawford, Director of Medical Services; Mr. G. H. Parliament, Director General, Veterans Welfare Services; Mr. C. F. Black, Secretary of the Department; Mr. J. G. Bowland, Research Adviser.

From the War Veterans Allowance Board: Mr. F. J. G. Garneau, Chairman.

From the Canadian Pension Commission: Mr. T. D. Anderson, Chairman; Mr. Leslie A. Mutch, Vice-Chairman.

From the Canadian Legion: Mr. D. M. Thompson, Director, Service Bureau; Mr. M. MacFarlane, Mr. Bert Hanmer, Mr. D. A. Knight, Service Officers; Mr. N. Shannon, Director, Public Relations.

From the British Ministry of Pensions: Mr. George Harvey, representative.

At the opening of the proceedings the Chairman invited the Chairman of the Canadian Pension Commission to address the Committee. Mr. Anderson made a brief statement.

The Committee resumed study of the brief presented by the Canadian Legion, with Mr. D. M. Thompson under questioning.

During the study of the brief the following were heard:

Mr. Mutch, Mr. Garneau, Mr. Lalonde and Dr. Crawford.

Mr. Montgomery, Vice-Chairman, presided for a time during the sitting.

At 6.00 o'clock p.m. the Committee adjourned to meet again at 11.00 o'clock a.m. Thursday, April 16, 1959.

Antoine Chassé,
Clerk of the Committee.

20959-3—1½

EVIDENCE

MONDAY, April 13, 1959.
3.30 p.m.

The CHAIRMAN: Gentlemen, we have a quorum. We have considerable business to get through this afternoon, so we will commence without further delay. The purpose in meeting today is to consider in further detail the brief submitted by the Canadian Legion some two weeks ago. You had a copy of the brief dated March, 1959, and in turn it was printed in the minutes of our proceedings, copy No. 7.

It has been suggested that for the sake of orderly discussion we follow the brief as it is printed in the minutes of the proceedings. If you have not a copy, I think the Clerk of the committee can supply you with one. You will find the Legion brief printed, beginning at page 201 of the minutes.

I believe that the chairman of the pension commission has a statement to make before we begin our regular business. Mr. Anderson.

Mr. T. D. ANDERSON (*Chairman, Canadian Pension Commission*): Thank you, Mr. Chairman.

Mr. Chairman and gentlemen, as you are aware—at least, as most of you will be aware—the sections of this brief which are now before you and dealing with the Canadian Pension Act have already been presented to the Prime Minister. They were presented last October. They have also been the subject of some discussion with the Minister of Veterans Affairs, and the minister wrote to the Canadian Legion with respect to items contained in the brief shortly after we discussed the matter with him at that time. He pointed out that there were a number of items in the brief which would require amendments to the Pensions Act and that those items would be looked into at a later date.

As you know, he announced here at a meeting the other day that that was going to be done. He also made reference to some suggestions contained in the brief which affect the policy of the commission.

I am pleased to be able to say that at least one of those items was considered at a meeting of the full commission last week, or the week before last—I have just forgotten which but in any case, it is referring to sections 26(3) and (4), which deal with children entitled to be maintained.

The commission agreed to amend its policy at that time in order to make it possible to pay pensions to those particular children referred to in that section of the Legion brief. You can look at that in a few minutes, because it will come up for discussion; but, at any rate, the commission has agreed that the entitlement should be made in some of those cases.

I think, Mr. Chairman, that is all I have to say at the moment. If anything comes up later on with regard to which I can be of any help, I shall be glad to say a word.

The CHAIRMAN: Thank you very much, Mr. Anderson. We can resume now on page 201 of the minutes. The president, Mr. Burgess, is not with us this afternoon, but we have representing the Legion, Mr. "Don" Thompson, who is the director of the Canadian Legion Service Bureau at national headquarters. He also has some other supporters with him. I think, Mr. Thompson, if you would introduce them at this time, it would be helpful to the members of the committee.

Mr. D. M. THOMPSON (*Director, Canadian Legion Service Bureau*): Thank you, Mr. Chairman. We have here Mr. MacFarlane, one of our service officers of dominion command; Mr. Hanmer, another one of our service officers; and Mr. "Don" Knight, from our service bureau. We also have brought with us today Mr. Conyers, who is a new addition to our dominion command staff. He has recently come from Halifax. There is also Mr. Arthur Sauer from Ontario command service bureau; and Mr. Shannon, the director of public relations, dominion command.

The CHAIRMAN: Thank you, Mr. Thompson. It is helpful to the members of the committee to know the personalities of the Legion, because we do have to talk with them from time to time. Referring to Mr. Hanmer, I think he resolves all problems relating to imperial veterans. Is that right, Mr. Hanmer?

Mr. H. HANMER (*Service officer, Canadian Legion*): Yes.

The CHAIRMAN: We are glad to have you all here this afternoon, gentlemen. The first item in the brief was concerned with increase in pension rates. Have we any questions on that topic? It is page 201 of the minutes. If you require a copy of the minutes, there is one here. Have we any discussion on this aspect of the Legion presentation? You can also find it in the yellow book, if you do not have a copy of the minutes. No questions?

Mr. CARTER: Mr. Chairman, the question I am going to ask does not have anything to do with this. Did the minister intimate to the committee at an earlier meeting that he was not contemplating making any amendments to the Pension Act at this session?

The CHAIRMAN: Yes; that statement was made the morning we had the original presentation of the Legion and the Canadian corps. This year the department is amending the Veterans Land Act. Next year they anticipate amendments to the Pension Act.

Mr. CARTER: Thank you. I wanted to verify that.

Mr. MCINTOSH: Mr. Chairman, I notice that they base the reason for an increase on the wage index. I wonder why they did not take it on the cost of living index. What has the wage index to do with pensions?

Mr. THOMPSON: Mr. Chairman, the reason for the wage index being considered is that we believe that the standard of living of the disability pensioner and the dependents of the pensioner should not be governed entirely by the cost of living, that the cost of living does not always reflect the standard of living in the country. We believe that disability pensioners and their widows and children should enjoy some of the improved and increased standard of living that is enjoyed throughout the country, which is not accurately reflected by a straight cost of living index.

Mr. KENNEDY: Mr. Chairman, is it not also a fact that when the pensions were originally set up, they were set up in relation to the wages of the day.

Mr. THOMPSON: That is our understanding, Mr. Chairman, that originally it was intended that they bear a relationship to the—the term has been used, "the position of the man in the unskilled labour market". That term "unskilled", of course, is a pretty broad one, but we do find—and I would direct your attention to this—that in the earlier days of pensions there was a relationship between at least two categories of federal civil servants and the 100 per cent disability pensioner. We bring that out in our tables in the brief, and it is on page 202 of No. 7 of your proceedings and evidence.

We show the relationship there in 1920 of the married pensioner. The married pensioner at that time was getting $1,200; the married private soldier, with pay and subsistance was getting $1,130—which is fairly close to $1,200 and the customs guard was getting $1,260. The cleaner and helper was getting $900.

We point out further in the table where these people now have had their incomes increased several times over, and they are now out of the relationship that once existed between the higher percent married pensioner and those classes of civil servants, and the private in the army.

The CHAIRMAN: Are there any further questions?

Mr. MCINTOSH: I would just like to get a point in there. I wonder why they did not relate it to the income of the farmer?

Mr. FANE: That would not be too good.

The CHAIRMAN: Does that complete the first item?

Mr. LESLIE MUTCH (*Deputy Chairman of the Canadian Pension Commission*): Mr. Chairman, there is just one point I think should be made with respect to this table in comparing the married pensioner with a non-pensioner in the lower employed ranks. This table does not take into consireration additional pension paid to the pensioner on behalf of his wife and dependent children. He does get assistance in that respect, whereas the labourer in the common labour market has to maintain all his responsibilities from his daily wage.

I am not offering this as an argument against the representations but to point out that the figures—as is so often the case—do not paint a wholly conclusive picture of the discrepancy. For instance, a married pensioner, 100 per cent, with two children, would be getting $255 a month from the commission itself, whereas his personal maximum, is $150. The total award does increase as the responsiblities increase. That, I admit, still leaves a gap.

Mr. THOMPSON: Mr. Chairman, just to keep the record straight, I would say this. As I read our table on page 202, we show the single pensioner as $900 in 1920, and the married pensioner $1,200. So I would suggest we have made allowance for the fact that additional pension was paid on account of the married pensioner.

The married pensioner, with or without children—we feel that the number of children that pensioners have is beside the point. It is a pension that you cannot fix exactly, and I think we would all agree that the maximum that is paid on account of a child, $20, $15, and $12 per month normally for children, first, second and third, in addition to the pension the disability pensioner gets, certainly does not come come anywhere near meeting the costs of raising those children today.

So we have taken the married or the single rate and we have taken into consideration the additional paid on account of the wife.

The CHAIRMAN: Is there anything further on this first item? The second item of the brief is revised rates for dependent parents. Are there any questions on the second item?

Mr. CARTER: It is a point of discrimination between a widow and a dependent parent; one gets $115 and the other $90. I think that is the real point the Legion is making in their representation and I do not see how you can justify that discrepancy.

The CHAIRMAN: Mr. Mutch has a comment.

Mr. CARTER: The needs of a dependent parent would be comparable to the needs of a widow, and a widow receives $115 but the dependent mother receives only $90.

Mr. MUTCH: Mr. Carter, the answer that has always been given is that while the responsiblity for a wife is absolute, the responsibility for a mother is not enforceable, and the distinction has always persisted in the legislation. I am giving you an historical background and an historical answer. The responsibility a man has for his wife is enforceable and in the case of a widowed mother it is not. The widowed mother of a veteran pensioner is given an

advantage over another widow of non-service connection; and that has always been pointed to as a recognition. But the commission and past governments have not held that the responsibility was the same and, therefore, the difference in rates has persisted. It is statutory in that respect.

Mr. CARTER: It has no economic basis whatever; it is a sort of legal tradition.

Mr. MUTCH: The function for which some payments are made to dependents is to discharge the obligation very often of the deceased in his stead—the support of a widowed mother is not enforceable in the sense that the support of a wife is enforceable. That is the argument.

Mr. CARTER: I do not feel that we should approach the problem from that standpoint, because a dependent mother may be a widow also; and if her only source of support was a son who was a war victim or casualty, she would be in exactly the same position, in my mind, as the widow.

Mr. MUTCH: You will not expect me to comment on that. You are leading me out of my field into yours.

Mr. CARTER: That is all right. As we know now how your mind is working, I think we should say how our mind is working.

Mr. MUTCH: The mind of the commission is governed by statute.

Mr. MCINTOSH: May I ask a question. When this was revised in 1951, what were the arguments at that time in increasing the amount for the widow and not the mother? There must have been no argument; otherwise, if we put it back to the same they might come up with the same argument and say the widow should receive more because of such and such.

Mr. MUTCH: If you are addressing that remark to me, the commission does not argue the pros and cons.

Mr. MCINTOSH: No, I did not address my remarks to you. It says here, "previous to that date", and it refers to 1951, a widow receives $75 a month and a dependent widowed mother receives $75 a month.

Mr. MONTGOMERY: It says "up to $75 a month".

Mr. MCINTOSH: After the revision the widow received $100 and the dependent widowed mother still gets $75. There must be some reasoning why they gave the widow the additional $25. There must be something on which to base their decision.

Mr. MUTCH: At the same time the widow was raised the additional pension for wife, and the pension for the pensioner himself was raised. I am not trying to say what was in the minds of the legislators, at that time but I assume it was to maintain the comparison and relationship to old age pension differences.

Mr. MCINTOSH: Was there anything in the Legion's brief at that time stating the widow should receive $25 more than the mother?

The CHAIRMAN: Perhaps the Legion representatives should answer your question.

Mr. THOMPSON: I have not the brief with me for that time but my recollection is when we asked for the increase that was brought in in 1951, we asked for it across the board, which would have included these people. Then when the increase was not given to the dependent parents at the next opportunity—and I think the record will bear me out—we protested this departure from what had existed for many years, that is the dependent parent and the widow being on the same basis. This was the first time in many years there had been a difference made, but I think you will find that our request at that time was for an across-the-board increase which would have raised the widow and dependent parent the same amount.

Mr. MCINTOSH: Then at that time the Legion did not request that there should be discrimination between the two.

Mr. THOMPSON: Right.

Mr. MONTGOMERY: In considering the dependent mother's or father's pension—I cannot think of the word—it is dependent upon their own property and income.

Mr. STEWART: You mean means test?

Mr. MONTGOMERY: Yes.

Mr. MUTCH: There may be.

Mr. SPEAKMAN: There is, because I had a case last year.

Mr. MUTCH: Are you suggesting there is in every other case? I agree with you that there is an obligation on the commission to look into the circumstances in those cases where the widowed mother comes to pension under section 38(3), which deals with prospective dependency. If the widow prior to the death of her son was being maintained by him, wholly, or to a substantial extent she is in a preferred class. There is no means test on that. But section 38(3) deals with prospective dependency, and if after his death she (the mother) subsequently falls into a dependent condition and in the opinion of the commission had he lived, he would have contributed to her support, the Pension Commission pensions under section 38(3).

The CHAIRMAN: Are there any further questions under this subject? We will proceed to item 3, increase in pension to certain dependent parents—section 38(2) and (7). Have we any questions? Mr. Thompson, would you like to give an explanatory statement in regard to this.

Mr. THOMPSON: The main point of this item in our brief is that if the dependent parent at the present time is able to live in the home with the widow and children, the present rate may be adequate; but in cases where the widow remarries, I think you will appreciate this could create a situation where there would not be room in the home and the widowed mother might have to move out. But as long as there is one child of a veteran receiving pension, even though the widow is remarried, she is limited to this additional amount of $40 a month. As soon as that last child comes off the pension roll, the commission is willing to look at her as a dependent parent under the other section and will pay her the maximum permissible. It seems to us that once a widow remarries this situation should be taken care of and the widowed mother should not have to exist on a smaller amount until the children are off the pension roll.

Mr. MONTGOMERY: Mr. Chairman, the act provides in cases where a pension is being paid on account of a widow or children the dependent parent is limited to $40 a month. Is that a statutory provision?

Mr. MUTCH: Yes.

Mr. MCINTOSH: Are there many cases of the widow remarrying and the dependent parent staying with them or having to move out?

Mr. THOMPSON: I am unable to give you particulars on that. We have had cases where the financial situation has come to our attention. Commission records will show a number of remarriages and if one followed this through you could find the number of dependent parents affected.

Mr. MCINTOSH: Were all these requests passed at the Legion convention?

Mr. THOMPSON: Yes. These items in the brief would originate at our dominion convention and come forward in the way of resolutions, and be passed on.

Mr. MONTGOMERY: Does this only apply if the dependent mother lives with the pensioner or his widow?

Mr. MUTCH: It makes no difference. In respect to the question asked a moment or two ago, I am able to tell you that as of June 30, 1958 there

were 339 such awards in payment. As you can see, we are approaching the elimination of this problem. There were 339 as of June 30, 1958. These were awards to mothers bound by awards to minor children.

Mr. CARTER: Does the commission have any discretion in the matter?

Mr. MUTCH: None; it is statutory. Where there are other dependents, children or wife of the deceased living, the limit which can be paid to a widowed mother is $40 a month.

Mr. CARTER: Would the award be affected where she has to leave and find her own accommodation?

Mr. MUTCH: No, that would not affect the award; at least, it is not mandatory that it should.

Mr. CARTER: The only way to correct it would be to change the Pension Act.

Mr. MUTCH: It would require an amendment to the act. When we discussed this some time ago my minister said that when the act is to be reopened, consideration will be given to this request with a view to determining whether or not an amendment is indicated. He is committed to that and has asked the commission to be prepared to advise him.

The CHAIRMAN: Is there anything further on this item?

We will move to item 4, dependent parents' pension—effective date. Are there any questions on 4?

Mr. CARTER: The point was they cannot be made retroactive more than three months. Is that also written into the act?

Mr. MUTCH: Such awards are normally effective at the date of application. However, there are exceptions. For instance, there may be prolonged leave of absence from the country of the applicant, or more often the payment of unemployment insurance benefits or other payments involving dependency. In order to come in at all there must be dependency. You cannot establish dependency if there are say, 52 weeks of unemployment insurance to come. Normally, these awards are made within a three months' period. The commission has advised they see no need of legislative instruction. That is so reported.

Mr. THOMPSON: There is one point I would like to clear up, as there seems to be some misunderstanding, I take it, on Mr. Mutch's part, of what we are referring to. For his benefit as well as the benefit of the committee, I would like to make clear what we mean.

We felt it was fairly clear in the brief, but we received a reply from the minister and it was almost in the same words as Mr. Mutch has used now. The minister said that such awards are effective from the date of application, normally, but there are circumstances which do not permit of the benefit. There are exceptions such as prolonged absence from the country of the applicant or more often cases of unemployment insurance benefits or other payments involving dependency. It is further pointed out that an amendment to the act is not considered necessary. We agree that an amendment is not necessary, but we fail to see what the payment of unemployment benefits has to do with the effective date of a person found to be a dependent person.

The person with unemployment insurance benefits remains eligible unless the amount takes him out of a dependent position.

We have one case which I think illustrates this problem very well. On September 26, 1958, we wrote to the commission on behalf of a dependent parent, the mother of a serviceman killed in Italy in 1944. The district office, at the request of head office, sent forward an investigation report which was received by the commission on December 24. Our request was dated September 26. The report reached head office on December 24. One month later on

January 23 the commission granted dependent parents' pension; then we questioned the effective date and asked the commission to go back and they quoted a regulation. They said that at a general meeting of the commission on September 3, 1953, it was decided that initial awards under section 33, where initial application has been made more than three months prior to award, the effective date shall be three months prior to date of the commission's decision. This has nothing to do with the act.

We fully appreciate the problem of the staff of the Department of Veterans Affairs. An investigator may go to a certain address and the person may be downtown. We realize that the investigator cannot wait around there all day. He has a lot of other calls to make. There may be a delay of a month in some parts of the country before he returns. I think that welfare services would tell us that more than a month elapses between a call in one town and the next time the investigator is there. We feel the person should not lose out due to these delays which occur in the normal processing of a claim. We are not speaking of the person who is visiting her daughter down in the United States or who is drawing unemployment insurance. We are speaking of the person who waits for the administrative wheels to grind.

We feel the commission could amend its policy and grant this allowance without a change in the act.

Mr. WEICHEL: In the case of a widow, is she advised she is allowed a pension right after the death of her husband? Is she advised by the commission? If not, I am thinking of the widow who probably does not know she will receive a pension and who might go on for three or four months not knowing.

Mr. MUTCH: The present discussion has no bearing on what happens in the case of a widow. This deals solely with dependent parents. If a pensioner in classes 11 to 1 dies, it would be unusual for the first cheque not to go out within 24 hours of the date of notification. Then the documents are completed to establish that the marriage was indeed a good marriage and that she is otherwise qualified; and in that event there would be no break in her pension payment.

Mr. ROGERS: As I understand it, the pension commission could handle this without any amendment.

Mr. MUTCH: Yes.

Mr. ROGERS: It is just a policy which the pension commission has?

Mr. MUTCH: Yes.

Mr. ROGERS: Then why has the matter been brought up? Is it just because one or two cases have been set back one or two months?

Mr. MUTCH: I do not know, but I assume so. We have not had many cases.

Mr. ROGERS: Do you think you can correct it?

Mr. MUTCH: I doubt very much if there are any delays of longer than three months. I should not say "any", because anything can happen in an operation as large as ours. Normally, these claims are all settled before three months elapse. In the event there is any hardship or distress which arises out of something over which the applicant had no control, machinery does exist in our legislation to take care of it.

Frankly, we are not aware there is a degree of need, and we have so said—which would demand legislative correction in the form of an amendment. We are not opposed to it. It is not our function either to be for or opposed to it. We feel we can administer with what we have.

Mr. ROGERS: What do you think of that, Mr. Thompson?

Mr. MONTGOMERY: Mr. Chairman, may I just follow up on that. When Mr. Thompson was reading he referred to a letter or memorandum from the pension commission which indicated that they were bound by regulation. I

gathered from the answer to me the other day there were no regulations outside of the regulations dealing with the awards, and that they had been filed.

Mr. MUTCH: There are no regulations which have the force of a statute, other than the table of disability which is provided. But the commission does, as does every administrative body which has a territory as wide as ours—from England to Victoria, British Columbia—have regulations for our own guidance. They incorporate an interpretation in those sections where we are charged with the responsibility of interpretation. Those regulations are for our own consistency as much as anything else, so that we will not do one thing in one case and another thing in another case. They do not have the force of statute, are not approved by anybody and can be amended by us.

Mr. BEECH: Mr. Chairman, it seems to me there is a regulation saying that nothing should be paid back further than three months.

Mr. MUTCH: There is a regulation in the act which says in the matter of entitlement awards that the commission has limited power to extend retroactive awards under section 31 in cases where, in the opinion of the commission, they feel it resulted in hardship or distress, or in the other case where there was failure to initiate payments earlier which arose out of conditions over which the applicant himself or herself, could have no control. Those are entitlement decisions and it is possible under the statute to go back in an extreme case to retroactive awards of three years.

Mr. BEECH: Mr. Thompson, have you made any application under this heading?

Mr. THOMPSON: I am not sure I understand Mr. Beech correctly. Do you mean we are having any difficulty with this particular problem at the moment with the commission?

Mr. BEECH: What I am trying to say is that Mr. Mutch said there is a provision for taking care of the cases which you mentioned. I am wondering if you tried to get adjustment under that?

Mr. THOMPSON: We have been trying on this point. Somebody raised the point that there are not many persons involved. Our feeling is, and I think you gentlemen would agree, that the number does not have to be large, if there is an injustice which can be rectified.

The case I mentioned is a current one. I was reading from a letter from the commission which quoted their policy, or their method whichever you choose to call it. It has the effect of a regulation. In this case the minute was quoted to us as the reason why this old lady's pension could not go back beyond the three months. As a result of this she looses some extra money which we feel she should have. It seems to us the regulations or policy should be elastic enough that these persons should not lose out.

Mr. MCINTOSH: I am not quite sure I understood Mr. Mutch's explanation. If their decision to award a pension is based on the date of application in one case, whether by act or by regulation, would not the other decision to award a pension retroactive only three months be ultra vires regardless of what the authority is for making such a ruling? You are discriminating against an applicant because of certain circumstances. I think you have to treat them all the same.

Mr. MUTCH: Unfortunately we cannot treat them all the same.

Mr. MCINTOSH: But my point is this, that in the event that after your investigation the person is finally awarded the benefit, then because of the delays—and there are numerous ones in some cases, and I agree with the Legion on this—because of the delays and the fact that they will be awarded the pension it should be retroactive, the same as any other application. Be-

cause of the delay, and the fact that they are going to be awarded a pension, it should be made retroactive the same as any other, to the date of the application.

Mr. MUTCH: The cause of the lapse of time of more than three months between the first application and the decision, is the fact usually that other income during that period precluded payment. There is a means test on these awards which precludes the payment. Consequently, when the award is made,—this is the average case of which I was speaking of a moment ago, I am prepared to concede that there may be cases where there was delay in excess of the three months—not many I would think, but there may be some. If there are, I would say that they should have an opportunity to come back and argue that the delay was not of his or her making, or that hardship arose as a result of that delay. The machinery is there. I am not arguing that our decisions are always perfect.

Mr. MCINTOSH: You say the legislative proof is wrong. When they make a statement of payment retroactive to more than three months regardless of the length of delay, we could only conclude that there are other finances involved.

Mr. MUTCH: Generally speaking that would be the reason. I do not see them all and I shall not commit myself to any other reason. Sometimes it is difficult to establish the beneficiary.

Mr. MCINTOSH: Could the Legion tell us if, in the case you refer to, there were other finances involved, and if that was the reason for the delay?

Mr. THOMPSON: To the best of our knowledge there were no other finances, because the dependent parent received the maximum of $90, there were no other financial considerations in the case. It was a straight case of procedural delay. The head office wrote to the district office and asked them to investigate. They investigated, and this all took time. They sent their report back and it lay in the head office for a month before the commission's decision was rendered. The commission feels that it is not a delay because it is not out of the usual, since these things can happen. But to our knowledge there was no other financial problem here at all. It was just a case of procedural delays.

Mr. WEICHEL: Regarding the date of application as recommended by the Legion, would that not overcome the difficulties we are talking about?

The CHAIRMAN: If I may comment, this seems to be an administrative more than a fundamental problem.

Mr. CARTER: Coming back to what Mr. Mutch said with respect to this particular case that has been referred to by Mr. Thompson, if I understood correctly what Mr. Mutch said could not this individual take her case back to the commission and get whatever back pay should be coming to her? Is that right?

Mr. MUTCH: It is a discretionary award, and the commission must hear an application. Some of them have come back repeatedly. But there are not enough of them for me to be an expert in the technique. I have not seen too many of them, but it has occurred. I do not remember the one Mr. Thompson referred to, and I cannot discuss a specific case without having it before me.

Mr. STEWART: Would not a discretionary power exercised in a proper way be more effective than a fixed date?

Mr. MUTCH: A discretionary power in order to be truly so has to involve a discretion to say either yes or no. If the proper discretion is that you have to say no, it may be said that we have refused to bow to progress. But for their guidance over the years my colleagues, long before my time, fixed this yardstick. I am sure that it allowed them to take care of the great majority of such applications, and that the door was left open to consider special cases.

If I understand Mr. Thompson correctly and I do not want to put words into his mouth; if I do so he will be quick to tell me—his suggestion I think according to this resolution is that he would like to see that discretion removed and the date of the application fixed, or else direction given to us to use our discretion in a certain way, which would remove that discretion.

We, as a commission, have no feelings in the matter at all. It is just an administrative detail and it has not given us any major problem. We would like to think that it has been fairly exercised, but if it has not, the door is open.

Mr. MONTGOMERY: I think this is a very important discussion. I was led to believe—and I do not want the acting chairman or the chairman of the pension commission to feel that we were criticizing them—but I think this has cleared up the matter; because when I heard that letter read, and then commenced to think that I had not received a correct answer the other day, I felt there was a regulation some place which cut this off at three months. I think the Legion has felt there was something in which the commission would have a discretion. But as I understand it now, the commission does have a discretion. They have, for their own benefit, set up a three months yardstick.

Mr. MUTCH: Yes, for their own guidance.

Mr. MONTGOMERY: For your own guidance; but it is not a regulation. It is just an administrative matter, and it may be now since we all understand it, they can change it if they see fit; they can use another yardstick. If they do have a discretion—and I think they should have one—I do not think we should undertake to try to take that discretion away from the commission. I think this has raised an important question, and it has cleared up something. I would like to see the commission try to go back to the date of application so that the individual would not think that he was being treated unfairly by the commission in respect to anything that he gets; and I would like to see the individual have the opportunity to go back and establish his case over again. The applicant may feel that these delays occurred at Ottawa, Saint John and so on, and he says: they like to give us the "runaround" if they can. I think there would be a better feeling if, in the first place, it were at all possible to have it dated back.

Thank you for permitting me to take up so much time.

The CHAIRMAN: Does that conclude our discussion of item 4, if so, item 5, "Special problems involving Newfoundland veterans". Are there any questions?

Mr. CARTER: I want to thank the Legion for the clear cut way in which they have set forth the problem with respect to Newfoundland veterans. Briefly it boils down to the Newfoundland veteran being one kind of animal under the Veterans Rehabilitation Act and the War Veterans Allowance Act, and a different kind of animal when it comes to the Pension Act. I want to commend the Legion for the recommendation which they have made to have the Pension Act definition of Newfoundland veteran as contained in the Pension Act brought into line with the definition under the other legislation. However, Mr. Chairman, personally I do not think that a legislative change should be necessary here, because I think the commission has enough discretion under the terms of its present definition to overcome the difficulties with which we have been faced. I think it is a matter of interpretation on the part of the commission; but if we can get around it by a change in the act so there will be no opportunity for alternative interpretations, then I think it would be all to the good.

The CHAIRMAN: Have we any further questions?

Mr. BADANAI: Agreed.

Mr. LENNARD: Agreed.

The CHAIRMAN: Mr. Carter has stated the position very adequately and we can now move along to section 6, "Supplementation of Canadian rates".

Mr. MUTCH: I think, Mr. Chairman, I might be permitted to say a few words with respect to this. Administratively this legislation is linked with section 5, of the Legion's brief, the preceding one. My minister has publicly expressed his personal sympathy for the point of view which is put forward here.

As he told you, he has been taking the initiative with the third party involved, which is the British government. He has said repeatedly that these two sections are linked together; because if they were not we would then have a group of Canadians whose service was wholly with the British in World War I who would be in a less advantageous position than the Newfoundlanders. So, for that reason, I think that any government would have to link these two resolutions together.

Mr. CARTER: I am not quite clear just how the group of veterans would be worse off if they were brought under the Canadaian Pension Act in relation to these others?

Mr. MUTCH: Not worse off than they are now; I did not say that. Those Canadians whose service was wholly with the British in World War I, have had to approach the Canadian government for supplementation through their British entitlement, just as the Newfoundlanders have to do in the first instance.

The proposition is that if this situation can be removed in one case, then it should be removed in both cases. The minister said this would be considered jointly.

Mr. CARTER: I would agree to that. But am I not right in understanding there is now some special arrangement with the British government with respect to Canadians who served in the British forces?

Mr. MUTCH: I am not touching on this question of their entitlements. In the first instance, the only person who got a break was the Newfoundlander. He goes to the British government and if he fails to get entitlement, he may then have a second chance by coming to our commission. But those Canadians who have been turned down at the present time by the British government "have had it". There is no second chance for them. So it would mean an equalizing of that situation. Nothing will be taken from your friends, who already have more than these other chaps. But the undertaking by the government has been to try to treat them all the same.

Mr. CARTER: I am in favour of giving the other fellow a second chance too.

Mr. MUTCH: Good. I am sure, that the government will, when they come to deal with it.

The CHAIRMAN: May I say that we have a disinguished visitor in our midst this afternoon, a representative of the British pension commission, Mr. Harvey. I think you might make your bow now, Mr. Harvey.

I have been called away for a few minutes, so perhaps Mr. Montgomery will take over. I would appreciate it very much.

(At this point Mr. Montgomery took the chair as vice-chairman).

The VICE-CHAIRMAN (*Mr. Montgomery*): We are still on section 6. Are there any further questions or comments?

Mr. THOMPSON: Mr. Chairman, I should just like to say that we are very pleased with the reply we received from the Minister of Veterans Affairs in connection with these two items 5 and 6. We are very pleased with the explanation that the problem was being studied and that when the replies were received from the British ministry they would be considered by the cabinet. We certainly do appreciate that action, and we hope that the outcome will be favourable.

The VICE-CHAIRMAN: Does that section carry?

Agreed to.

The VICE-CHAIRMAN: We go on to section 7, retroactive awards (Section 31). Are there any questions or any comments?

Mr. THOMPSON: Mr. Chairman, just by way of elaboration on this point, I would say this. There does seem to be something of a misunderstanding in some quarters in regard to the present provisions for retroactive awards of pension. As we have pointed out in our brief through the years, we have come across many cases where people have lost a considerable amount, not only in money but in years of pension entitlement. Some of them go back as long as 10 or 11 years. Some of the amounts of money go to $2,000 or $3,000, and it is quite likely that in some cases the amount is greater.

We feel that there should be provision in the act, and section 31 should be amended so that the application, when eventually granted, should be made effective from date of application. In many instances the person gets an adverse ruling. They accept it. Sometimes new evidence crops up, and sometimes there was definitely an error in the original C.P.C. decision. Then years later this may be admitted by the commission and they will grant the claim; but there is no provision and, in fairness to the commission, no matter how much they might wish to go back, they are limited, by section 31 of the act, normally to 12 months retroactivation, with an additional six months in cases where hardship can be proven, plus an additional 18 months where, through delays in securing service or other records, or through other administrative difficulties, beyond the applicant's control, it is apparent that an injustice might otherwise ensue.

This additional 18 months is extremely hard to get because the commission refuses to admit that errors by the commission's medical or administrative staff are beyond the applicant's control. This is a matter of interpretation; but if the act were amended so as to make provision for the date to go back to the date of application, we would not have situations where cases are ruled on adversely and years later they are finally granted entitlement with very little retroactive pension.

We have one case where the commission in 1944 were asked to rule—and, incidentally, the case never got before the commission; they did not rule on it. Ten years later the case came up again and the commission granted entitlement. In this case the commission went back the full three years which is permitted by the act; but there was no provision for them to go back beyond that.

There are several instances where errors have been committed, and the act as it stands does not provide for full retroactivation. We feel that many of these cases are cases of injustice, and the only fair way is to amend the act to take it back to the date of application.

Mr. MUTCH: It is not my purpose Mr. Chairman and gentlemen, to take issue with anything which Mr. Thompson has so forthrightly said, except this—and I might still say it—that the commission does not concede that a decision taken at a certain date by the commissioners, then governed by their own thinking and the regulations and the legislation of the day, and subsequently reversed perhaps years after by different commissioners, or even the same ones, in the circumstances of the interpretation then prevailing, does constitute an error.

There are errors of omission, and there are errors of commission; but a difference of opinion—very often based on difference of interpretation over the years—does not, in the opinion of the commission, constitute error in the sense envisioned by the legislation, and is not so accepted.

Mr. LENNARD: But, Mr. Chairman, there could be an error on the part of the examining board at the local point.

Mr. MUTCH: That point has never been at issue, Mr. Lennard. The commission is restricted by statute. Even if we rise in our place and say we erred five years ago, and should have done thus or so in entitlement awards while the statute as it is we can only correct it back three years.

Mr. LENNARD: Yes; but supposing a man was examined, and it was found later by other examiners that that was not a true examination at that time, that is an error, not of the commission, but an error of some of their employees.

Mr. MUTCH: I would not be competent to judge that, Mr. Lennard. I think we are entitled to assume for instance that medicine has changed radically since the first war. There are a great many conditions which were ruled not attributable to World War I, and in the interval since then medical opinion has been able to demonstrate to everybody's satisfaction that they were related. And in the face of that evidence, the commission makes changes.

But the commission would not concede that a decision taken in good faith in the light of the evidence then available, is an error in the sense envisaged by the legislation.

Mr. LENNARD: I am not saying they would. But probably there has been an error on the part of some medical examiner several years before. That has happened; it is happening every day.

Mr. MUTCH: Whether it is made in error, or whether the error was in good faith, I do not think affects the fact that there is a statutory prohibition at the present moment.

Mr. LENNARD: I know the commission has to deal with what is placed before it by somebody else, but somebody in the employ of the commission can make a mistake.

Mr. MUTCH: Yes and in some instances the commission itself makes them.

But in this particular case, as Mr. Thompson has said, there is a statutory provision. That was put in at the instigation of the veterans organizations generally, in times, that you and I can remember, and some others may not. That was put in at a time when it was alleged in the House of Commons that a great many awards were not being made because of the amount of retroactive award of money involved. I may have been one of those who alleged this; but I do not believe it now. I do not know whether I did then or not.

The suggestion came forward from the veteran organizations generally, as well as from others, that if we put a statutory limitation on the retroactive award it would remove forever the suggestion that John Doe would have got his pension except for the fact that it was going to cost the government $10,000 to pay his back pension.

I am not prepared to concede that former commissioners were concerned with the money involved. But the suggestion was made and the criticism was there. Section 31(1), (2) and (3) was put in by the government of the day to remove that suggestion and to make it, as they thought, easier for a man to obtain entitlement. Whether the need for it has gone, it is not my place to say, nor am I competent to speak for others.

Mr. BEECH: Mr. Chairman, Mr. Mutch has answered my question. I was going to ask if the commission was swayed by the fact that a large pension was likely to be paid if it was paid retroactive to the date of application. But he assures us that would not have any effect on the pension commission, and I am very glad to hear it.

Mr. MUTCH: I do not think my colleagues in the commission look into the monetary aspect of it at all. That is your responsibility, gentlemen. I am

not going to concede now that I think they ever did. I have given you the history of why Section 31 was put in the act, and it is written for all who want to read it.

The VICE-CHAIRMAN: Has anyone else a question or any comments?

Mr. THOMPSON: I wonder if I might be permitted to clarify again this question on error. These problems have been outstanding for many years, and we have discussed them with the commission and with the various ministers. It seems to me that sometimes we end up with the situation being not too clear.

We are speaking about errors, and I would like to give you a few very brief illustrations of what we mean by "error". Whether it is an error of the commission, of course, is open to their interpretation.

In one case a man was sent home from overseas. He was evacuated from the front line near Cleve. He was brought home and was admitted to Westminster hospital as a mental case. He was there for approximately two months, still on army strength. He was discharged from the army still in hospital. He was finally discharged from the hospital and sent on his way. The pension medical examiner sent the case up to the commission for a ruling, and in that ruling the commission stated in part "Examination and psychiatric reports reveal that this is a pre-enlistment constitutional condition. There is no evidence that the condition was any worse at the time of discharge than prior to enlistment".

This is what we call an error. The man was in a mental hospital at the time of discharge. "The commission therefore rules: 'Manic depressive psychosis (nervous condition), pre-enlistment condition not aggravated during service' ".

That, as I say, is an error. The commission, ten years later in 1956, when we made representations to them, granted entitlement, said: "Following his return to Canada he was retained in Westminster hospital for over six months. At that time he was definitely psychotic and mentally disturbed".

They granted him entitlement but they did not go back the full three years which the act permitted; they went back 12 months. We had to make renewed representations on two occasions to get the six months one time and the 18 months one other time. Mr. Mutch says that the door is always open, but it seems to us that if the act permits something to be given, it should be given at once and you should not have to go back and pound on that door time after time to get what they finally give. In this case we suggest it is an error.

In another case a veteran was seen by the pension medical examiner in 1944 and he referred the case to the commission for a ruling. The case was not ruled on. Because of the representations that we made, the commission granted entitlement, but that was more than ten years after the original request for ruling had been made.

Mr. MUTCH: That was an error, and was so conceded.

Mr. THOMPSON: That was an error. I suggest that the first case of the man in the mental hospital was also an error. We have rulings where the commission say "Pre-enlistment; not aggravated". The man served overseas in the theatre of war, and as such should have the benefit of section 13(1) (c); and we have commission decisions given sometimes after the second and third ruling, such as one which we have here, where the commission will finally rule, "Not recorded nor obvious on enlistment". In one case they said:

> Further investigation in this case reveals that although there is no doubt of this man complaining of back trouble prior to enlistment there is no official record of such trouble, and no pathology of the back was obvious on enlistment. As he served in a theatre of actual war the commission now finds that his pension should be entire under the provisions of section 13(1)(c).

That was in 1956. Yet in 1946 they had ruled it a pre-enlistment condition and recorded. When we asked them to produce the record, they said none existed and they granted full entitlement. When they said they had a record and now one is not produced, that is an error. Some provision should be made for correcting the situation when it occurs.

Mr. MUTCH: You mean by an amendment to the statute?

Mr. THOMPSON: Yes. The point I wanted to make is that it would appear from Mr. Mutch's statement that it was a fine point as to who was in error. I want to make clear that what we mean by an error is when somebody is wrong. We admit to an error when we have made a mistake. That is what error means to us. We have many cases—I do not want to take up your time, but I know it has been said by some officials that the Legion handles only a small number of cases. Well, it is true we only handle those cases which come to us; but if you find this in a small number, what is the over-all picture? We admit we cannot give a percentage figure; we are unable to say how many cases there are like that. But we do know there are cases and that is why, at the invitation of the committee, we brought this to you in order to give you our side as to why we feel our requests are justified and we have the cases to back them up.

Mr. MUTCH: For the record, Mr. Chairman, may I add a word. The year 1947 was the breaking point. Prior to 1947 it was considered by the then commission that the admission by the man himself on enlistment of a condition pre-existing enlistment created a record. His own admission created a record. Since 1948—and I think I am right in regard to that date; I will check it in the transcript—the commission has required either one of two things to create a clear record; either the recording on enlistment itself or a written record in the hands of a doctor who examined him previously. We will not accept any longer that his mother said he had whooping cough when he was fifteen and that a family doctor treated him, or something like that. That doctor is called and asked if he kept a record, and if he says yes he is asked to produce it. If he says he kept records but they were destroyed e.g. by fire, he is asked to swear that he recorded the diagnosis and to give the particulars. Those are the only two kinds of pre-enlistment records that are accepted. We found in reviewing some of the cases that it was ruled prior to 1948 as pre-enlistment on the applicants own admission, which would not now be accepted. Normally while it would be an error on the part of my colleagues to accept that unsupported statement of the man himself today; at the time it was accepted in this particular case with which I am familiar, in 1946, the man's own admission then was subsequent to his enlistment or while in the service and would constitute a record. It does not now. The only point that is at issue between Mr. Thompson's organization and the commission is that the commission does not admit error when the decision was taken in the light of the evidence and the policy which then existed. Error implies carelessness, bad faith or something more than a difference of opinion over the years.

I have tried to state that simply and sympathetically. That is our object and aim. Mr. Thompson said a few moments ago that the second case he gave was clearly an error, that it was brought up and never acted upon. I might say that as soon as it was brought to my attention—and I think it was in this room—the commission reviewed the case and went back three years, as far as the law allowed.

Mr. LENNARD: I think in that case you should have obtained an order in council and gone back the whole distance.

Mr. MUTCH: That is your prerogative and not ours.

Mr. ROGERS: The question is to make this retroactive to 1946, is it not?

Mr. THOMPSON: Yes, that was to prevent the point Mr. Mutch has raised; and that date, 1946, has no significance except it was the year after the war ended, and January 1 was taken as a reasonable date. We can see that there would be a danger if one started to go back all these years, and I would point out we have been working for this for some time. The years have gone by, and if you look at it in retrospect the cost today would be greater than previously. But the principle is the same. If I might be permitted one final observation, Mr. Mutch says that since 1948 these situations have not occurred in a decision—and this is from the commission itself—dated 6-9-57, the commission in referring to a decision of June, 1952, which is four years after 1948, said:

> After careful consideration of the case it seems clear that the decision of June, 1952 was based on improper information as there was not then a record that decision should have provided full entitlement with the added application of section 31.

Our point is that this has occurred prior to 1948 and since.

Mr. MUTCH: Since 1954 there has been a three-year limit. I hope I have not appeared to argue the case. I have no opinion on it beyond stating the limitations which are imposed on the commission. Those are our powers. The cases which Mr. Thompson cites are familiar to us and they are dealt with in accordance with the legislation as it stands. Whether or not the legislation should be changed is not for me to say.

The VICE-CHAIRMAN: As there are no further comments, we will proceed to section 8, which is "debts due to the crown" which may be deducted from a pension. Are there any questions?

Mr. STEWART: That applies only to crown debts?

The VICE-CHAIRMAN: Yes, I think so.

Mr. FANE: If a veteran was overpaid, or something of that nature.

The VICE-CHAIRMAN: It is not necessarily so, is it?

Mr. THOMPSON: There are a number of reasons why they deduct from the pension. Actually, the overpayment of pension is provided for in the act and is quite properly done under the Pension Act. But there are other reasons for which a veteran or pensioner may owe money to the crown; and as it stands now these amounts can be deducted from his disability pension.

Mr. WEICHEL: Would you please give us an illustration.

Mr. STEWART: Income tax would be one.

Mr. THOMPSON: Of course, income tax, which the member mentioned here, would be one. You could have a situation where a man received treatment from the department and was liable to pay for that treatment. This is not for his pensionable condition. He is liable to pay for it. As a result, if he owes and does not pay, the department can collect from his pension. In fact, he is liable in any way in which he incurs a debt to the crown.

Mr. STEWART: Excise taxes.

Mr. WEICHEL: There could not be an error in his entitlement?

Mr. STEWART: No.

Mr. MUTCH: This resolution has no reference at all to the administration of the Pension Act; there are overpayments which occur under our act and we have full power to deal with them. Perhaps I can assist by saying that the Canadian Pension Commission has held that it has no power under the Pension Act to withold pension moneys to discharge a debt other than moneys to adjust overpayments made under veterans legislation. Governments have used first the "Debts Due to the Crown Act" and subsequently section 95(1) of the "Financial Administration Act" to override the Pension Act and to

empower treasury officials to withhold pension moneys to discharge debts due to the crown. These deductions are made without reference to the Canadian Pension Commission, and since the procedure is now generally understood, the commission has not been involved in recent years.

Mr. LENNARD: The only difference is, if the government owes you money you have a tough job finding out about it; they will never tell you.

The VICE-CHAIRMAN: Are there any further questions? We will now pass on to section 9 at page 208, "conditions not recorded on enlistment". I believe that was partly covered in our discussion under section 7. However, are there any questions on section 9?

Mr. MCINTOSH: The other day I asked how many applications had been refused in relation to the number of applications granted and I understood it was about two to one. Now, in this case, if this is carried and put through, I wonder how many of those one hundred and some thousands that have been turned down would be eligible.

Mr. MUTCH: If you are asking me that question, I may say that it is the considered opinion of the commission that it would not change or add to the entitlement in a single case. This is not a new restriction. We are of the opinion that what is requested would not increase our powers under 13 (1) (c).

Mr. MACDONALD (*Kings*): Are you satisfied that the veteran is getting the benefit of the doubt in these cases?

Mr. MUTCH: The benefit of the doubt is not involved in this.

The VICE-CHAIRMAN: What is involved here is exactly what Mr. Mutch explained under section 7.

Mr. MUTCH: Yes.

The VICE-CHAIRMAN: If the discussion is completed on this item we will go to section 10, marital status under the Canadian Pension Act.

Mr. ROGERS: Do they accept a common-law wife?

Mr. MUTCH: Under the Pension Act?

Mr. ROGERS: Yes?

Mr. MUTCH: No. They do under the War Veterans Allowance Act. Also there are special circumstances under the Pension Act. My categorical answer "no" is perhaps too short.

You will remember there were certain Canadians who served overseas in England in World War II who entered into marriages over there. There were cases where the spouse of that marriage never came back to Canada. The British government passed a statute allowing them to divorce their husbands although the husbands were not domiciled in England. It was a special act. They were granted the divorce in England. The Canadian government does not recognize that divorce. If that veteran came home to Canada and subsequently went through a form of marriage with someone here, built up a new home and a family, then on his death the commission can and has made awards under section 25 which is a discretionary section. That discretion has to be limited to those particular and peculiar groups of veterans who had that unfortunate experience in England of having their marriage annulled by the English government, or a divorce granted, which could not be recognized here.

Mr. LENNARD: Why is it not recognized?

Mr. MUTCH: I know why, but I have never voiced it and I will not now. Sure, I know why.

Mr. LENNARD: It seems ridiculous.

Mr. CLANCY: A common-law wife of a veteran is legally entitled to certain things in Canadian law.

Mr. MUTCH: Not from us.

Mr. LENNARD: In other words, she is discriminated against under this one section?

Mr. MUTCH: He is pensioned as a single man if he is in a common-law union. There is no provision in our act.

Mr. ROGERS: I rather think there should be provision. I know of two or three cases now where a pensioner has lived with his common-law wife for the last thirty years.

Mr. MUTCH: As you know, section 25 is extremely wide. I can think of a case in recent years where a common-law widow—if I may use that expression—was able to establish to the satisfaction of the pension commission that she married in good faith and that she was not a party to the deception which took place at the time of the marriage. She lived with her husband for some thirty years and raised three or four children by him. When he died the commission did exercise its discretion under section 25 to pay her, not a widow's pension, but an award under section 25 which was the equivalent of the pension, because they were satisfied she had acted in good faith and that he was now dead.

Mr. LENNARD: Had he another wife living?

Mr. MUTCH: At the time of his original marriage I presume so.

Mr. LENNARD: But not at the time of his death?

Mr. MUTCH: No. I was not in on the case, but I know of the decision. I am quite sure the commission would never have made an award until they were perfectly sure the original wife had died and would not come back at the time of the husband's death.

Mr. MCINTOSH: If a man had a common-law wife at the time of his enlistment they paid her allowances during hostilities; why would they not pay her a pension after death?

Mr. MUTCH: There is no such provision.

Mr. MCINTOSH: But they do pay allowances during service.

Mr. MUTCH: I think so, if they had been living as man and wife for one year prior to enlistment.

Mr. MCINTOSH: I do not think they made any stipulation at that time.

Mr. MUTCH: At any rate, it had to be prior to enlistment.

Mr. LENNARD: I assume the commission looks after children of such a union.

Mr. MUTCH: If they were acknowledged and maintained by the father during his lifetime the commission may; yes.

Mr. STEWART: Even if illegitimate under the law?

Mr. MUTCH: Let us not get into the law of legitimacy. The commission can and does.

The VICE-CHAIRMAN: Are there any further questions. If not, we will go to item 11, increase in last illness and burial grant. Is there anything on this item?

Mr. MUTCH: I can tell you that when the act is revised the commission will recommend to the minister that our permissive allowances be brought into line with those under the War Veterans Allowances Act and workmen's compensation. At the moment they are statutory.

Mr. ROGERS: What is allowed? I mean the whole cost?

Mr. MUTCH: It is not the whole cost; it is $250.

Mr. STEWART: That is the maximum?

Mr. MUTCH: The maximum.

The VICE-CHAIRMAN: Are there any further questions? We will go to section 12, children entitled to be maintained.

Mr. MUTCH: That is the item to which my chairman referred at the opening of the meeting.

The VICE-CHAIRMAN: Is there anything further?

Mr. THOMPSON: The Legion would like to express its appreciation of the action taken to clear up this point in the brief.

The VICE-CHAIRMAN: Section 13, benefit of the doubt (section 70).

Mr. CARTER: I think this point raised by the Legion is very well taken. I do not think the veteran gets the benefit of the doubt as much as he should by the pensions commission. I also think the pensions advocates, when they appear before appeal boards, do not exploit this benefit of doubt as much as they might in favour of the veteran.

I have several cases now. One is that of a young veteran who was taken into the Canadian navy with one foot shorter than the other. He was discharged in poor condition. He did not apply for any pension. He tried to earn his own living, but eventually he wore away the bone because of one leg being shorter than the other. He reached the point where he was no longer able to work. When he applied for the pension, the board said it all happened since you have been discharged. I cannot see how any medical man can say that a person could spend four years in the navy with one foot shorter than the other without aggravating his condition; but it is assumed he aggravates his condition the minute he gets out of the navy. That is a case where there is an element of doubt in which the veteran does not get the benefit.

The other case is of a person who runs to the doctor every time he has a pain or ache and builds up documentary evidence. The minute he applies for a pension he has all this supporting evidence. Then there is the person who does not think his aches or pains are worth bothering about and when he has some serious disability he is penalized because he did not do enough complaining while in the service. I really think there is room there for more flexibility in this part of the legislation.

The VICE-CHAIRMAN: Has anyone else anything to say? I think this is a matter within the discretion of the commission.

Mr. STEWART: I have one observation to make, and that is I think the act should be given a beneficial interpretation rather than to base it on the benefit of the doubt. The benefit of the doubt is used when you are accused of something, such as not making a claim. If all the regulations were beneficially interpreted, I think it would eliminate some of this misunderstanding regarding the benefit of the doubt.

Mr. THOMPSON: If I may be permitted to make an observation, last Thursday when Mr. Mutch was speaking to your committee on this question of the benefit of the doubt, there was quite a bit of discussion back and forth. If you check the record you will find that the actual wording of the section was not referred to.

I would like to draw to your attention section 70 of the Canadian Pension Act, which reads as follows:

> 70. Notwithstanding anything in this Act, on any application for pension the applicant is entitled to the benefit of the doubt, which means that it is not necessary for him to adduce conclusive proof of his right to the pension applied for, but the body adjudicating on the claim shall draw from all the circumstances of the case, the evidence adduced and medical opinions, all reasonable inferences and presumptions in favour of the applicant. 1948, c. 23, s. 16.

That is where, we submit, this section falls down in its operation at the present time. It seems to be based on one's making the proof conclusive. But the act says you do not have to prove conclusively with respect to a case in favour of the applicant.

For example, a man's enlistment film was lost, or was not available. It had been marked as negative approved. But a year or so later, a further examination showed a shadow on his lung. This chap remained negative until 1953 when active t.b. was diagnosed.

The applicant's enlistment film could not be produced in order to eliminate the presumption that this t.b. was present on enlistment, and the commission ruled against the man. They did this repeatedly. They insisted that the words "negative approved" meant no active disease. But there was something suspicious there.

We insisted that "negative approved" could only mean what the words said. At our request the commission finally wrote to the doctor who I believe had been the chief radiologist for the Canadian Army in the early years of the war. They asked him what it meant. He replied that for all intents and purposes the term "negative approved" and the word "negative" were synonymous.

The commission was then faced with this letter from the doctor, but they still turned down the case. So we went back to them again pointing out the ridiculousness of the decision in the light of the statement and they then granted the man entitlement.

In another case we had, the man had a heart condition, and he died in peacetime service in the air force of that heart condition. The commission ruled against this case, and the widow brought it to us. We referred it to three eminent heart specialists, one in Montreal, one in Kingston and one in Ottawa. Each of the three specialists in his opinion supported our contention that there was a relationship in the symptoms during service, and the death, and that the person's service was a material factor in the cause of death.

These three opinions were submitted to the commission and without benefit of any equally eminent specialists acting on behalf of the commission, the commission turned down the claim.

Then we wrote to the chairman of the commission asking him to have the claim reviewed, having regard to the weight of evidence and to section 70. He replied that it was a satisfactory decision and that they could not make any change. So we submitted it again with the qualifications of the doctors being stressed especially, and the commission granted the claim.

In this case I think the widow and three children lost about sixteen months pension. That is what we base all our observations on. The benefit of the doubt is not applied in all these cases.

Mr. CARTER: I agree 100 per cent.

Mr. MUTCH: With respect to that case, if I may say it, the case did not come in as Mr. Thompson cites it, as a result of doubt being created in the mind of the commissioners; but on the contrary, it was put in as a result of the weight of medical evidence; and in writing that decision, I would be very much surprised if section 70 was mentioned. It was granted as of the date of the entitlement on the basis of the weight of medical evidence which Mr. Thompson was able to marshal.

This is not a unique case. He goes out, and in many cases he and his associates bring in evidence which rules out these requirements of doubt and establishes entitlement on a medical basis. Certainly I would be surprised if any of my colleagues would give a reverse favourable decision in a case, such as he cites by invoking the benefit of the doubt. This was a case resting on its own merits, based on the medical evidence which the commission accepted. That is the difference.

These cases do not present us with any particular problem. If you get evidence in time which is clear cut, then the need to refer to section 70 disappears, and entitlement is granted on the facts.

Mr. THOMPSON: With all due respect, I sometimes wonder if Mr. Mutch and I are talking about the same subject. Without a doubt the medical evidence was before the commission, and the three opinions were there when the commission dealt with it.

Mr. MUTCH: And they ultimately reviewed them and accepted that evidence.

Mr. THOMPSON: Ultimately.

Mr. MUTCH: Yes.

Mr. ROGERS: Apparently the onus is on the applicant to put forward his defence, his right to assert his claim.

Mr. STEWART: It is some onus.

Mr. ROGERS: It is just as good as the legal counsel or the counsel he gets, and the evidence he is able to bring forth himself.

Mr. MUTCH: In fairness, to answer your question, there is some responsibility which devolves on the commission, and which is exercised, to see that all the evidence is adduced at the hearing. We have some responsibility and we exercise it in assessing the application to see to it that the records which are existent in his records are before us at the time of the decision.

Of course we do rely very largely on the veterans bureau or on the bureau over which Mr. Thompson presides. There is no question about that. But I do not want you to think that a man is wholly on his own. There is a responsibility which devolves upon us to see to it that, from the sources of information which are available to us, he gets whatever he is entitled to.

Mr. ROGERS: I wanted to bring that point out. Thank you very much.

Mr. MUTCH: You cannot blame it all on a poor advocate, if he gets a bad deal.

The VICE-CHAIRMAN: Have we had a full discussion on paragraph 13? Paragraph approved.

(The chairman of the committee (Mr. Dinsdale) resumed the chair.)

The CHAIRMAN: Let us move to paragraph 14, "Renewal hearing (new conditions)". Have we any questions or further comments?

Mr. MONTGOMERY: There has to be new evidence. You have to have new evidence in order to get a case opened. Am I right on that?

Mr. MUTCH: I suppose you are, technically, but in practice no. It is not the practice of the commission, in ruling on these rehearings in the case of World War II, to deny a requested rehearing of an application. I do not know of any case where they would. I am not saying that somebody might not find one, if I said we did not, but I am not aware that it has been our policy.

Mr. STEWART: Is it a straight new application, or does it go back to the date of the original application?

Mr. MUTCH: Under the provisions for entitlement in World War II, every applicant had an initial hearing based on the documents, the papers, on his discharge, or subsequently when he applied. In many cases where there was obvious disability at the time of discharge, it was done without reference to him. But in the case where he applied, he got an initial hearing.

If he is displeased with the results, he has the right to come back as often as he wishes for a renewal hearing for the condition for which he has failed to succeed, and for any other condition which subsequently develops, or which he had forgotten, and now wishes to register. That continues until he finally decides to go to an appeal board hearing.

Mr. MONTGOMERY: Once an appeal board has heard the case, that is final.

Mr. MUTCH: Unless he or his counsel can establish, under section 65(4) that in the decision of the appeal board there was an error, by reason of evidence not having been submitted, or otherwise, such as a case where there was inadvertent failure to note that there was a statement on the record that certain diagnosis did or did not exist. These are the kind of arguments that are considered. The chairman will name an appeal board of the commission to review such a case,—not to review the decision of a previous appeal board, but to determine whether or not that original decision should be set aside, and the case should be heard de novo. Does that clear it up for you?

Mr. MONTGOMERY: I think that is pretty clear.

Mr. MCINTOSH: Might I ask Mr. Mutch if he remembers a case that one of the members brought up I think at our last committee meeting. It had to do with the establishment of the fact that a disease did exist, and concerned the diagnosis of the disease in the first place. Do you remember that?

Mr. MUTCH: No, I am sorry.

Mr. MCINTOSH: The chap was advised by the pension board not to proceed to an appeal board because there was another disease.

Mr. MUTCH: Another condition?

Mr. MCINTOSH: Another condition, that is right.

Mr. MUTCH: That not infrequently happens. I do not remember the particular case, but actually this happens frequently. A man may come to an appeal. He comes before three of my colleagues on appeal for condition (a). In the course of discussion he may say: "that was before I got shot in my left knee." Then the A.B. looks at the file and finds there is no record of any gunshot wound. In such a case the chairman of the commission will say: I do not think we should proceed with this case; I suggest that counsel withdraw the current application and go back to the procedural sections to establish the entitlement for this new condition. In our thinking, the presiding member of the Appeal Board should require that the board have in front of it all the rulings or conditions for which the applicant wishes to claim before the Appeal Board finalizes his case. That is done frequently.

Mr. MCINTOSH: If an applicant has been before an appeal board and has been turned down—

Mr. MUTCH: Or succeeded.

Mr. MCINTOSH: Then he cannot apply without another diseased condition?

Mr. MUTCH: No, the decision of an appeal board is final save and until such time as he can come before us and establish that he has another condition of which he was unaware and did not record at the time. A new condition almost always results in automatic leave to re-open, if the commission accept the fact that he failed to claim for it in good faith in the first instance. It is almost automatic.

The CHAIRMAN: Is that section agreed to?

Agreed.

The CHAIRMAN: Gentlemen, we have reached the hour of five-thirty. What is the wish of the committee? We can carry on for a few more minutes, if you wish, and see what progress we make.

Mr. STEWART: Perhaps we can finish it today.

The CHAIRMAN: All right. We now have section 15, "War veterans allowance rates". Are there any questions?

Mr. ROGERS: I have a case here, Mr. Chairman, of a complaint. This concerns a man who is of the right age, but he has worked eight years for the Department of National Defence—he is a civil servant—so he is eligible for war veterans allowance at $120 a month. He has a house, which he can sell for about $7,000. That is the limit of his capital. He wants to take out his superannuation, which would amount to about $1,100—a little less—or $30 a month. Of course, they object to that. Is that right?

Mr. GARNEAU (*Chairman, War Veterans Allowance Board*): You mean is it right that the board objects to a man receiving his superannuation? Not that I know of. I would like to see that—

Mr. ROGERS: Do you mean to tell me he can take out this $1,088?

Mr. GARNEAU: He is entitled to have personal property, if married, up to $2,000; then a house worth $8,000. If he becomes normally eligible to war veterans allowance, the only thing to be taken into consideration as regards personal property is whether he has no more than $2,000, if married. That means that if he took his $1,100 superannuation and had, say, only $500 besides that in the bank, it would leave him perfectly eligible.

Mr. ROGERS: That is the part of his letter that I could not understand.

Mr. GARNEAU: I would like to see the case. If you wish me to look at it, I would be very glad to do so.

The CHAIRMAN: Are there any further questions on that section? We now have section 16, "Ceilings on permissive income". Are there any questions, here, gentlemen?

Then we proceed to section 17, "Widows allowance (section 30(11)(b) War Veterans Allowance Act"). Are there any questions in regard to section 17, or can we pass on to the next item?

Mr. BEECH: I am not quite clear on the intention of this, Mr. Chairman. If the man was eligible, is not the widow automatically eligible? Do they have to make application?

Mr. STEWART: This does not necessarily mean his widow.

Mr. GARNEAU: This covers the case of an unmarried veteran who is living in a common law relationship with a woman, but who has not made application to have that woman recognized as his wife under the act.

Mr. WEICHEL: After the veteran who is in receipt of war veterans allowance dies, can she receive payments up to a year?

Mr. GARNEAU: A woman duly recognized under section 30(11)(b)?

Mr. WEICHEL: Yes.

Mr. GARNEAU: She would be treated the same as any other widow and would be entitled to receive the one year marriage rates like any other widow, if financial conditions permit it.

Mr. WEICHEL: Would she be cut off in a year's time?

Mr. GARNEAU: Yes, normally. It is a tiding-over allowance given to the widow; in other words, the continuation of the rate her husband was receiving as a married man for one year in order to tide her over the readjustment period. If she became eligible in her own right as a widow after that period, that is after she attained the age of 55 years or over, or was so disabled as to render her entitled, she could come under the widows allowance, like everyone else.

The CHAIRMAN: Are there any further questions in connection with section 17; if not, I will declare it carried and we will proceed to section 18. Section 18 covers the merchant navy.

Mr. CARTER: I would like to confirm that what is set out here in this section of the Legion's brief is from my own personal knowledge of merchant navy veterans in my own riding who are casualties and unable to earn a living. They are casualties because of their service in the merchant navy. I think they are just as much entitled to some consideration for themselves and their families as any other category of service personnel. A real hardship is being worked on many veterans in the merchant navy who are suffering today and unable to support themselves because of their war service.

Mr. ROGERS: I quite agree with you.

Mr. THOMPSON: Mr. Chairman, in this regard again there seems to be a misunderstanding, possibly on our part. But the minister in commenting on our brief says this matter was fully dealt with by the Standing Committee on Veterans Affairs at the last session of parliament. He said the committee did not consider this proposal was justified and no amendments were contemplated. We were not aware that this proposal of ours was ever before your committee. We certainly did not place it before you. The whole question of the merchant navy was brought before you by the merchant navy representative, but there is a difference between what they propose and what we ask. They asked for all the benefits that were available. In our brief we asked that war veterans allowance be made available. We referred to the fact that we accepted there was a differential in pay, but if you look at the re-establishment credits and war service gratuities and weigh this against the other, there would be justification for those veterans receiving war veterans allowances which would provide for them when they get along in years or suffer ill health. The work that these people were doing during wartime was certainly recognized at that time. They were held to be very valuable to the cause. A recognition of that was made when, I believe, an order in council, which was quoted by the then Minister of Transport, said:

> The merchant marine, on which our seaborne commerce depends, is under present considerations virtually an arm of our fighting services, and the provision of merchant seamen, their training, care and protection is essential to the proper conduct of the war, and vitally necessary to the keeping open of the sealanes on which the successful outcome of the present conflict so largely depends.

We also mention the T-124 service people who were signed on by special agreement. We have an illustration of the type of service these men rendered. It is from a pension commission decision. I would like to quote a few lines of this:

> His service included action at Gibraltar, Naples, Southern France, Bizerta, Toulon, and Marseilles and while aboard H.M.R.T. *Athlete* from July 10, 1944 to January 20, 1945 his ship took part in the assault landings in the south of France, being employed in towing of assault ships and craft off the beaches.

In our opinion these persons in the merchant marine and these T-124 people are worthy of consideration under the act.

Mr. CARTER: I would like to make this observation, Mr. Chairman. In the last war, in my province, the casualties in the merchant navy were greater than those in the army, navy and air force combined. There are many widows and their families who have suffered untold hardship because their breadwinner paid the supreme sacrifice in the war and their country never accepted any responsibilty for them. I think that is something which should have been corrected a long time ago and I think we should, even at this date, take whatever steps are necessary to correct it as soon as possible.

The CHAIRMAN: We are at section 19, treatment services, D.V.A. hospital facilities in Newfoundland.

Mr. CARTER: I understand there is an allocation for this in the estimates.

Mr. LALONDE: The minister advised the Legion of this in his reply.

Mr. CARTER: Is this a new allocation or one carried over from last year?

Dr. J. N. CRAWFORD (*Director General, Treatment Services, Department of Veterans Affairs*): There is some of this in the 1959-60 estimates.

Mr. CARTER: Has Dr. Crawford received any correspondence from any branch of the Legion saying they are not satisfied with the arrangement?

Dr. CRAWFORD: No; on the contrary. I have had a letter from the Newfoundland branch of the Legion expressing satisfaction and recommending we enlarge the proposal to some extent. However, in the main they expressed very great satisfaction with the plan which has been discussed with them.

The CHAIRMAN: Are there any further questions? 20. Increase in adjusted income—section 13, treatment regulations.

Dr. CRAWFORD: Here I might say there are two recommendations; one to raise the floor from $1,080 to $1,200. We have picked on the figure of $1,080 because this is the measure of indigency for war veterans allowance, and we felt we had to try to be consistent with ourselves in measuring this factor. If, as has been suggested, the floor for the war veterans allowance goes up, I think I can assure this committee that our floor will automatically go up in proportion.

As to the other recommendation, raising the ceiling from $2,500 to $3,000, it is not in our view an unreasonable recommendation. The level of $2,500 was established in 1954, and was then tied roughly to the national average of annual earnings. So if this was a fair figure in 1954, it probably is not fair at the present time. However, the fact of the hospital plan has made section 13 much less important than it was previously, and quite frankly we have been waiting to see the effect of this plan before we made any recommendation for an increase in that ceiling.

The CHAIRMAN: Are there any further questions? Section 20 agreed to.

Thank you, Dr. Crawford, that was very brief and to the point.

Now we move to section 21, "Civil service maintenance of preference".

Mr. STEWART: Agreed.

The CHAIRMAN: Everyone is agreed on section 21.

Mr. CARTER: I think that the veterans preference means different things for different people. I think somewhere it should be set forth for everybody to know just what the veterans preference means or was intended to mean, because I have had a lot of correspondence and a lot of discussion about the veterans preference and it turned out that it does not mean what I thought it meant. It means different things to different people.

The CHAIRMAN: I think there is a fairly specific formula for the operation of the veterans preference. Is there someone here who can explain it?

Mr. LUCIEN LALONDE (*Deputy Minister of Veterans Affair*): I shall attempt to explain it. The veterans preference is applicable to initial entry into the civil service, but once a veteran has become a civil servant, the veterans preference is not applicable any more.

If he applies in a competition to enter the civil service and he qualifies for the position for which he applies, he may enjoy three levels of preference: one, if he is a pensioner, he enjoys first priority; two, if he has overseas service, he has less priority than a pensioner but more priority than a veteran without overseas service; and three, the third priority is based on service anywhere.

Mr. MONTGOMERY: Service in Canada?

Mr. LALONDE: Yes.

Mr. CARTER: Is it not based on an interpretation of what a veteran is?

Mr. LALONDE: No. It is based on the definition of veteran as a man who served in the armed forces.

Mr. CARTER: But if he did not serve overseas, he is not regarded as a veteran.

Mr. LALONDE: Yes, but he does not get the B preference.

Mr. CARTER: In some cases he gets nothing. If he did not serve overseas, he is not regarded as a veteran at all, and he does not get any preference whatever. He is just regarded as a civilian. That is the way it operates in some districts.

Mr. LALONDE: I will check that.

Mr. WEICHEL: Suppose we have five applications. Four of them were from civilians while the fifth was from a chap who served in Canada. The fifth man would have the preference, would he not?

The CHAIRMAN: That is just the point we are going to clarify.

Mr. LALONDE: You are right. Mr. Parliament tells me that the word veteran is defined in the Civil Service Act, and it is based on a man's being a recipient of a disability pension or having served overseas. Those are the A and B preferences.

Mr. CARTER: The fact that he served in the army does not make him a veteran.

Mr. LALONDE: Not as far as the preference is concerned.

Mr. WEICHEL: The third chap served in Canada. He would get a preference over the other four civilians, if there were just the five applicants.

Mr. STEWART: Not under that ruling. He is not a veteran.

Mr. LALONDE: I was right the first time. There are A, B, and C preferences. A is the pensioner who first gets it. He is at the top of the list. Then the veteran with overseas service; if there are no pensioners, a veteran who is qualified will go to the top of the list if he has overseas service. If there are no pensioners and no veterans with overseas service, then the veteran with service in Canada who is qualified will be placed above civilian applicants.

Mr. CARTER: That does not operate in all cases. Can you tell me this: what are the mechanics of allocating this preference? I understand when there are a number of applicants for a civil service position, the veteran is given a bonus number of points to start with.

Mr. LALONDE: No, not in Canada. That is the system in the United States, but not in Canada. He has to be qualified; he has to have so many points to qualify him for the position. I believe it is 70 per cent of the total points; and if he has more than 70 per cent of the total points, then he gets one of the three preferences to which I referred.

Mr. CARTER: That is practically the same thing in theory as if you were giving him a bonus of 30 points, because he qualifies up to 70 points, the same as the other fellow who has 100.

Mr. LALONDE: No, it is more than a point bonus, because if he had a 5 per cent point bonus, for instance, and he qualified with a mark of 72, and a civilian qualified with a mark of 85, his 5 per cent bonus would still leave him below the civilian applicant. In our case it is an absolute preference. The number of qualifying points given to a civilian applicant as compared with the veteran is not a factor. As long as the veteran has the qualifying marks, he automatically goes to the top of the list on one of the three priorities I have mentioned.

Mr. WEICHEL: If he has the same qualifications as the other man, and they both have 80 marks, as a disabled veteran, he would get preference over the other applicant?

Mr. LALONDE: Assuming the two applicants are both veterans and they both get 80 marks, and one has a disability pension and the other overseas service, the veteran with a disability pension is automatically the successful applicant.

Mr. CARTER: We are not concerned with that so much, but we are concerned with the case where there is a civilian and a veteran involved.

Mr. LALONDE: The same would apply as between a veteran and a civilian. If they both have 80 points, one is a civilian and the other is a veteran, the veteran is automatically the successful candidate.

Mr. CARTER: He gets no preference unless he can support it with his qualifications? He gets no preference unless his qualifications are equal to those of the civilian?

Mr. LALONDE: No.

Mr. CARTER: You said if they both had 70 points the veteran would get the preference. Suppose the veteran has 65 and the civilian 70?

Mr. LALONDE: If he has 65 points, he has not qualified for the position which he is seeking.

Mr. KENNEDY: I think that should be cleared up. In some places that is not being practised; the veteran in Canada does not always have any more right than a civilian.

Mr. MACEWAN: As I understand it, in the case of an active service veteran with overseas service, and a civilian, as long as the veteran makes the 70 per cent which has been referred to by the deputy minister, the civilian could make 100 per cent on the same examination and the veteran would still get the preference.

Some hon. MEMBERS: That is right.

Mr. CARTER: He has got to make at least 70? If he does not make 70 points, he is out altogether?

Mr. MACEWAN: Yes.

Mr. CARTER: I have sat in as Legion representative on some of these selection boards, and they have not operated in exactly the way the deputy minister has described.

The CHAIRMAN: On that point, the Civil Service Act has some very definite specifications for the operation of the veterans pension, and they are found in section 28. I do not know whether we should have it placed on the record or not, but it is quite clearly stated in section 28 of the Civil Service Act.

Mr. CARTER: I think the committee should know, too, that there are some instances in which the veterans preference is qualified by departmental regulations.

For example, an appointment to a post office can only be given to a person who is a patron of that post office. A civilian who applies there will get preference over a veteran who lives a couple of miles outside the community. Even though the veteran may be qualified and even though he may be in the service of the post office and serving in another post office, he cannot exercise his veteran preference, because he is governed by a regulation which says that the appointment must be given to a person who is a patron of the particular post office.

Mr. WEICHEL: Of course, that comes under the post office regulations.

The CHAIRMAN: On that point, Mr. Carter, would it be true that the veteran in the preferred area would get the preference?

Mr. CARTER: I would think so, Mr. Chairman. But there would be veterans who would be just as entitled to it. I mean, it is just an arbitrary regulation which does not make much sense, in my opinion.

Mr. WEICHEL: In the semi-staff office the appointment is from that area or locality. He has the opportunity to receive the appointment in the staff office. A man from Toronto can get an office in Kitchener, as long as he has the qualifications.

Mr. MCINTOSH: What is the local ruling on that? If one act is opposite to the other act, which one takes precedence?

Mr. STEWART: A special act overrides a general act.

Mr. MCINTOSH: The argument that there is not a veterans preference is not so in all cases.

The CHAIRMAN: Gentlemen, before we adjourn, we have some decisions to make. It does not appear that we have completed our discussions on this point, judging by the nature of the discussion that has been taking place. What is your wish in regard to completing the discussion of the Legion brief?

Mr. CLANCY: When is it convenient?

Mr. SPEAKMAN: When is it convenient for the Legion?

The CHAIRMAN: Would you like to follow the policy of hearing representations on Monday afternoon?

Mr. CLANCY: The Veterans Land Act is coming up next time.

Mr. WEICHEL: Could you not meet tonight?

The CHAIRMAN: That is rather difficult; and also from the standpoint of the reporting staff.

Mr. WINKLER: Could we leave it to the steering committee and follow their recommendations, as in the past?

The CHAIRMAN: That means next Thursday we shall continue with the estimates. We have the Veterans Land Act before us. So it would appear that perhaps next Monday would be the time, depending on the advice of the steering committee, when we could complete the discussion of the brief.

Mr. STEWART: What was the time?

The CHAIRMAN: Thursday morning at 11 a.m. and Monday afternoon at 3.30 p.m.

—The committee adjourned.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 10

Estimates 1959-60 of the Department of Veterans Affairs

THURSDAY, APRIL 16, 1959

RECEIVED
APR 27 1959
Library of Parliament

WITNESSES:

Mr. Lucien Lalonde, Deputy Minister of Veterans Affairs; Mr. C. F. Black, Secretary of Department; Mr. T. D. Rutherford, Director, Veterans' Land Act; Mr. A. D. McCracken, Senior Administrative Officer; Mr. H. C. Griffith, Superintendent of Construction; Mr. W. Strojich, Superintendent, Property Division.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

20961-9—1

STANDING COMMITTEE ON VETERANS AFFAIRS

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

and Messrs.

Badanai	Herridge	Peters
Batten	Jung	Pugh
Beech	Kennedy	Roberge
Benidickson	Lennard	Robinson
Broome	Macdonald (*Kings*)	Rogers
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, Room 238-S,
THURSDAY, April 16, 1959.

The Standing Committee on Veterans Affairs met at 11:00 o'clock a.m. The Vice-Chairman, Mr. Gage W. Montgomery, presided.

Members present: Messrs. Beech, Benidickson, Broome, Clancy, Fane, Garland, Herridge, Kennedy, Lennard, Macdonald (*Kings*), McIntosh, Montgomery, O'Leary, Ormiston, Parizeau, Pugh, Rogers, Speakman, Stewart, Thomas, Weichel, Winkler.

In attendance: Mr. Lucien Lalonde, Deputy Minister, Veterans Affairs; Mr. F. T. Mace, Assistant Deputy Minister; Mr. C. F. Black, Secretary of the Department; Mr. J. G. Bowland, Research Adviser; Mr. T. J. Rutherford, Director, Veterans' Land Act; Mr. A. D. McCracken, Senior Administrative Officer; Mr H. C. Griffith, Superintendent of Construction; Mr. W. Strojich, Superintendent, Property Division; also from the Canadian Legion, Mr. D. M. Thompson, Chief of Service Bureau; Mr. M. MacFarlane and Mr. Bert Hanmer, Service Officers.

The Committee resumed consideration of the Estimates 1959-1960 of the Department of Veterans Affairs.

Mr. T. G. Rutherford was called, examined, and was retired.

During Mr. Rutherford's examination a few questions were answered by Messrs. McCracken, Griffith and Strojich.

Items 466, 467, 468, 469, 470, 471, 487 and 488 were severally considered and approved.

Mr. Lalonde was called. He made some corrections in the evidence reported formerly and he gave answers to questions asked at previous sittings.

Mr. C. F. Black was also called and gave answers to questions previously dealt with at former sittings.

At 1:05 o'clock p.m. the Committee adjourned to meet again at 3:30 o'clock p.m. Monday, April 20, 1959.

Antoine Chasse,
Clerk of the Committee.

20961-9—1½

EVIDENCE

THURSDAY, April 16, 1959
11:00 a.m.

The VICE-CHAIRMAN (Mr. Montgomery): Will you come to order now. We have a quorum. We have quite a number of items here and we would like to make as much progress as possible. This morning we are on estimates, and we will start with item 466.

SOLDIER SETTLEMENT AND VETERANS' LAND ACT

466. Administration of Veterans' Land Act; Soldier Settlement and British Family Settlement $5,152,331

Mr. MCINTOSH: What is the page?

The VICE-CHAIRMAN: Page 82, and you will find the details on page 565.

I am going to introduce to you this morning Mr. Rutherford, who is head of the Veterans' Land Act and of the Soldiers Settlement and, as he requires, he will introduce to you any officials who will be called upon. So without any further remarks, Mr. Rutherford.

Mr. T. J. RUTHERFORD (*Director of Veterans' Land Act*): Mr. Chairman and gentlemen, it is a real pleasure to be here again to answer for the Veterans' Land Act. I hope we will be able to give you any information that you want. I brought with me three of my division heads—Mr. McCracken, who is head of the administration division; Mr. Griffith, who is head of construction; and Mr. Strojich, who is head of the property division.

Most of you were here last year and you will remember I gave quite a lengthy talk on our activities, our policy and our organization. I do not think there is any need to do this again so soon.

I am going to confine myself to a few details as background for the estimates, and I will give you a few highlights of statistics. I will also give you a few of the major projects of this year. I will not be more than four or five minutes.

These, gentlemen, are the statistics which I think you should have in your mind in dealing with the estimates. The veterans settled to date, 76,875; the conditional grants earned—that is those who have been there for ten years or more and have been granted a conditional grant—25,112. Those who have fully repaid and taken title, 15,519; veteran to veteran sales, 3,919; quit claim deeds given, 2,024; changed to civilian purchaser, 1,160; vacated dominion and provincial lands, 631; rescinded for non-compliance with their contracts, 182. That is a total of 23,435, which leaves a total of 53,440 accounts on our books.

The heaviest settlement year was 1946-47, when we settled 20,542 people. Last fiscal year, 1957-58, we settled 2,132 and gave titles and other terminations to 4,894. Our estimate of future settlement—and this is just an estimate —is 9,100.

Expenditures made for land, permanent improvements to land, and for stock and equipment for veterans, $382,094,000; conditional grants and stock and equipment earned, $41,044,000; collected from inception, $113,097,000; total falling due since inception, $107,778,000; collected in excess of due, $5,319,000; collected during 1958, $21,086,000.

Due and owing over one year and under two years, $126,000; due and owing over two years and under three years, $28,000; due and owing over three years,

$11,000. That is all that is due and owing over three years. Profit on sales of reverted property, $1,586,000; losses on sales of reverted property, $663,000.

With regard to home construction, houses commenced, 24,192; houses completed, 23,232. Construction schools held since inception, 699. These were commenced back in 1950. Total enrolment of construction schools, 19,000; number of schools held in the winter of 1958-59, 77; enrolment for last winter, 1,587.

Percentage of veteran contractors since inception, 69 per cent. A percentage of these houses were built by veterans acting as their own contractors, and since inception the figure is 69 per cent. Last year the figure was 91 per cent. The number of staff in 1947 was 1,704; in 1959 it is 952.

Gentlemen, I will give you a few of the highlights of last year's projects to bring you up to date. On-the-job staff training, to which we have always given a very high priority, was very much to the fore again this past year, with special emphasis on the completion of our appraisal qualifications. Of the 277 of our staff who, in 1957, studied for and passed the part I examinations set by the Appraisal Institute of Canada, 252 passed the part II examination in 1958. A goodly number of these are now fully accredited and are entitled to use the designation A.A.C.I., accredited appraisers, Canadian institute. The others have only to submit three sample appraisals and have them approved. When this has been done—and it should be completed this year—V.L.A. will have over 250, or just about half of all the accredited appraisers in Canada. And the institute has been in existence for some 20 years.

During the past 12 months, in addition to our own appraisal work, we have done appraisals for seven other departments of government, including 348 for the succession duties branch. Some of these were quite large and included industrial and commercial properties, as well as farms and homes. One of our recent appraisals for the Department of Citizenship and Immigration was used as the basis for a sale that was very close to $6 million.

This professional training, which has done much to improve the techniques of our men who have to make appraisals or make decisions based on information contained in appraisals—has been taken by our staff at their own expense and largely in their own time. The examination fees alone cost them $35. The institute membership is $15 annually; and with the exception of one book which we bought recently for them, they bought their own books. The minimum cost of books is about $14, and some have appraisal libraries that cost as much as $60 or $70.

In our 1958-59 training program we are emphasizing the screening and pre-loan counselling of applicants for farm credit. These things are vital to any successful farm credit scheme. Our purpose in this is to assure that government-sponsored credit is used to exploit success and never to reinforce failure. There is no advantage in the latter since it will only postpone the day when a man must give up an enterprise for which he is not suited, or which, in itself, lacks the elements necessary to its success.

Our credit advisors must also be able to judge whether the loan requested will make possible the assembly of a farm unit which will afford the farmer and his family a good living and at the same time maintain and pay for itself.

Those of our field supervisors who are qualified in the areas of pre-loan counselling, appraisal, modern farm organization, and farm management, and who have had at least two years successful experience in administering farm credit—and this includes 90 per cent of them—are now designated by us as "resident credit advisors" as we believe that this nomenclature is much more indicative of the type of service they are rendering.

Men with these special qualifications are essential in the successful administration of farm credit. Such men are hard to come by and, with more emphasis on supervised farm credit, will be in very considerable demand. As evidence of this, one of the provinces which recently hired a senior

member of our staff to head up their new farm credit branch is now offering our credit advisors one-third more money for the same work than we are able to pay them. Some of our men are going. We cannot afford to lose them at this time, but, under these circumstances, we cannot ask them to stay. To have to let such men go because we cannot pay them what their services are worth in the open market seems like "killing the goose that lays the golden egg", as they are the men responsible for V.L.A.'s settlement and collection record.

Over 600 production-line farming meetings were held throughout the country during the past fall and winter. These meetings are designed to interest our farmers in applying cost reducing production-line principles to the organization and operation of their farm enterprises. This is in order that they may better compete with the cost-price squeeze which, since 1952, has been draining most of the profit out of the agricultural industry.

A great deal of staff training material on the subject of "production-line farming" has been prepared and distributed to our field staff during the past ten years. This material has now been consolidated into a looseleaf handbook, which is kept up to date by inserting additions and amendments from time to time. Extra copies of this handbook have been made up as time permits and distributed to V.L.A. farmers, with the result that about 20 per cent of our farmers now have them.

The hundreds of letters which have been received from these farmers telling of the uses to which they have put the information contained in the handbook, indicate the importance of getting one in the hands of every one of our full-time farmers as soon as possible. This we hope to do this year.

With the help of this handbook, a farmer is in a position to develop his own production-line farm plan and have a draft ready to discuss with his credit advisor when he goes to see him. This, from a psychological point of view, is a much better approach than to have the credit advisor prepare a plan for him.

Farmers like to get all the planning help we have time to give them, but the plan itself must be their own as they are the people who have to make it work. However, it is the responsibility of our credit advisors to assure that government-sponsored credit is not used to put a poorly conceived plan into effect. This must be done through careful guidance, not by pushing the farmer into something he does not want. There is no time when farmers are so receptive to guidance as when they come to us to discuss the possibility of obtaining additional credit. That is the time when credit advisors can do their most effective work, and full advantage must be taken of it.

During the year we completed our survey of progress and future credit requirements which was started in 1957. The information obtained from this survey is most interesting and informative, but would be more appropriately discussed when our amendments are before you.

During the year, we also finished and issued a complete set of procedure manuals. This was a cooperative effort by head office and the districts. The use of these manuals has already resulted in a very large increase in the number of "one-shot" submissions and reports, which has done much to expedite and cut down work. These manuals are also very useful when breaking in new staff, and as a guide to staff members when pinch-hitting for one another on work with which they are not familiar.

These, Mr. Chairman, are the project highlights of the past year. There are two statistical highlights in which everyone has had a part, and of which both our staff and our settlers can be justly proud:

(1) Out of 76,000 settled, only 182 have had to be put off their properties for any reason;

(2) Although we are collecting over $20 million each year, under $12,000 remains due and owing over three years.

Thank you, Mr. Chairman and gentlemen.

The VICE-CHAIRMAN: Thank you, Mr. Rutherford.

Mr. SPEAKMAN: I would like to ask the director a question since this assistance available to veterans has now been increased. I have received a complaint to the effect that a settler who by his industry and hard work and perhaps careful management has paid out his original loan, is now not eligible for this increased assistance. I would like to know if this is a regulatory matter or is it a matter of legislation?

Mr. RUTHERFORD: That is a matter of legislation.

Mr. SPEAKMAN: It is in the legislation?

Mr. RUTHERFORD: It is in part 3 of the act. He must have a contract with the director before he can get this additional assistance.

Mr. SPEAKMAN: I wanted to have this clarified, because I think it is something we should change. I do not think we should bar a man who by industry and hard work has completed his contract and obtained title from obtaining this additional assistance.

Mr. RUTHERFORD: Some of the farmers, particularly in the west, are holding back a dollar in order to preserve their rights. A great many more have paid us up and gone to the Canadian farm loan board for assistance. They can get $15,000 at the present time.

Mr. BENIDICKSON: But they do not provide supervisory services?

Mr. RUTHERFORD: No.

Mr. SPEAKMAN: And they are much more rigid in regard to the regulations and requirements for a loan.

Mr. RUTHERFORD: We are pretty tough ourselves, you know.

Mr. SPEAKMAN: I know, but they are able to discuss their difficulties with the supervisory services.

Mr. RUTHERFORD: Well, we do try to give every case full consideration; and if we do not approve the loan, we can usually persuade the veteran it would not be in his interest to get one.

The VICE-CHAIRMAN: Gentlemen, you are on item 466, administration.

Mr. MCINTOSH: I have two questions to ask in regard to the director's remarks.

The VICE-CHAIRMAN: Proceed, Mr. McIntosh.

Mr. MCINTOSH: You said you had an excess undue payment of $5 million; is that prepayment?

Mr. RUTHERFORD: Yes, on land. $1,200,000 of that is accounted for by crop share payments.

Mr. MCINTOSH: In regard to the number you gave for quit claim deeds, was that $2,004 or 2,004 quit claim deeds?

Mr. RUTHERFORD: 2,004 quit claim deeds. Actually, it is 2,024. By the way, we have copies of these statistics and will pass them around. Now, these are not all people who have gone off the farm because they were not succeeding. There were certain administrative purposes for which a quit claim deed was used, it was used for transferring property. For instance, they would give us a quit claim deed so we could sell the property to the wife.

Mr. MCINTOSH: I was just wondering if we could have your view as to what a quit claim deed is?

Mr. RUTHERFORD: I think it is set out here. I would say that the majority of them were given to people who were not going to succeed and

who were persuaded that they should be doing something else. When I say there were only 182 put off the farm, those are the only ones we had forcibly to evict. Sometimes when a fellow is not getting along very well, we suggest a quit claim and we believe we are doing him a service. If he thinks he has a bad proposition and things are going wrong, we sometimes persuade him he would be better off in something else; and we will help him to get into something else.

Mr. McINTOSH: You are showing only 182 out of 2,024 that you had to put off?

Mr. RUTHERFORD: Yes.

Mr. McINTOSH: How many have you asked to go?

Mr. RUTHERFORD: In regard to quit claim deeds, 182 out of 76,000.

Mr. McINTOSH: How many others have you requested to give you a quit claim deed?

Mr. RUTHERFORD: I have not that figure with me. Out of that figure of 2,024 there probably would be 1,600 whom we persuaded would be better off to leave the farm. It is still a small percentage of 76,000.

Mr. ORMISTON: How many veterans were involved in these arrears you mentioned, either percentagewise or in actual figures?

Mr. RUTHERFORD: It is a very small amount. Those who owe over $200 are less than one per cent.

Mr. HERRIDGE: I think a good many members of this committee consider this idea of supervised farm credit an imaginative thing, something new. It holds great possibilities for extension to young Canadians who are not veterans and wish to farm. Would you give the committee some idea of how this supervised farm credit will generally apply throughout Canada and how you get a coordinated approach to the assessment of a certain situation and the coordination of assessments in regard to land, property, livestock and all that sort of thing. Can you give us a general idea how you are able to get this national approach to the problem?

The VICE-CHAIRMAN: Is it not true, Mr. Rutherford, that you will have to go through all this again when the bill is under consideration?

Mr. RUTHERFORD: Yes, I think so. However, I will give you a short answer to your question now. I think it is staff training. The important people in our organization are the people on the ground. We have 230 resident credit advisors and we spend most of our time looking after the training of these people. If you can build up an esprit de corps among your staff and get your field staff as well as the people in Ottawa, well trained, you will not have any trouble. It is training of the field staff that is important.

Mr. SPEAKMAN: I would like to ask the director how many soldier settlement accounts still remain unpaid?

Mr. RUTHERFORD: There are nineteen, but there are reasons for each one of them.

Mr. SPEAKMAN: Is this in all of Canada?

Mr. RUTHERFORD: There are six who are not eligible for any adjustment, and I can go into the reasons if you wish. There are four who wish to pay their indebtedness in full; they will not take an adjustment. There are eight eligible contract holders who did not qualify under the provisions; their present situation does not warrant it. There is one eligible for reductions but, for personal reasons, has made no offer. This does not require any special staff. They go through the mill with everyone else.

Mr. MACDONALD (*Kings*): In regard to administration, it seems in our area there was a slight contraction in your staff. Has there been any overall increase or decrease in the number of staff?

Mr. RUTHERFORD: There has been a decrease over the years. I gave you the figure of 1,704 in 1947-48 and it is down to 900 odd at the present time. I think there was a reduction of 25 or 30 this year. You cannot reduce in the same ratio as your work falls off, because V.L.A. is very widely distributed. You cannot thin out your field staff and do a good job. We try to thin it out at other levels, although we have reduced our field staff slightly.

Mr. MACDONALD (*Kings*): There has been a reduction then?

Mr. RUTHERFORD: Yes, a reduction of 27 this year.

Mr. MACDONALD (*Kings*): The additional work involved under part 3 has not kept your staff up to normal?

Mr. RUTHERFORD: No. I think the new amendments may; but I cannot speak as to that.

Mr. PUGH: How are quit claim deeds obtained? Are they obtained as a result of a court order through a veterans court, or how?

Mr. RUTHERFORD: No, sir, they give us a quit claim deed. They come in and say they would like to leave their property and would like us to sell it for them. They probably have to leave in a hurry to go some other place to work; and they give a quit claim deed. We manage the sale and give them the balance over and above what is owing.

Mr. PUGH: Has anything been forced through in court actions?

Mr. RUTHERFORD: No, there is a quit claim deed given.

Mr. PUGH: Apart from the quit-claim deed, has there been any action taken which would involve a veteran's land being taken away from him through a court order?

Mr. RUTHERFORD: I do not recall one, no. There is provision for foreclosure, in getting a man off who wants to remain. His case is taken before the provincial advisory board which consists of a judge of the county court, a representative of the Legion, and the district superintendent. They decide whether the director shall be permitted to issue a 30-day notice and put the man off his property. That has only taken place 182 times since inception.

Mr. PUGH: Those are actually pre-foreclosures?

Mr. RUTHERFORD: That is right.

Mr. BENIDICKSON: As of a certain date, whether it be December 31 or another convenient date, could the director give us the relationship to the annual expenditures roughly of $5 million with respect to the estimate of interest and receipts due on the current outstanding indebtedness, assuming that there were not underpayments or pre-payments or overpayments.

Mr. RUTHERFORD: I think we could, but I could not give you that figure right away.

Mr. BENIDICKSON: I meant as of a certain date, say December 31, how much was outstanding? You say there are so many contracts, 53,400, on the investment account on the books; how much was there in dollars outstanding at that time?

Mr. RUTHERFORD: There has been $41 million written off for grants; $113 million has been collected and there is $200 million outstanding right now. Interest is a little better than three and one half per cent due to accounts in part three. But if you take it at three and one half per cent on $200 million outstanding, you would have about $7 million.

Mr. BENIDICKSON: And your expenditures are about $5 million?

Mr. RUTHERFORD: That is right.

Mr. HERRIDGE: You mentioned a group of advisors who in some cases were leaving you because of the salary rate being paid. Could you tell us

the present salaries paid? What salaries are being offered these advisors in these other positions? I think that is most unfortunate.

Mr. RUTHERFORD: I have it here somewhere if I can only put my hand on it. Here we are: the province of Manitoba is paying their agriculturalists from $5,760 to $7,320. Our equivalent people are getting from $4,710 to $5,310. That is almost the same as Alberta and Saskatchewan. Saskatchewan pays from $5,952 to $7,140 as against our $4,710 to $5,310. Alberta, ranges from $5,700 to $7,140 as against our $4,710 to $5,310.

Mr. HERRIDGE: What academic qualifications are required for credit advisors?

Mr. RUTHERFORD: We have a preference for agricultural graduates, but it is mandatory. We find that we need men who have had wide experience including business experience, and who have been successful farmers for at least ten years. We have quite a percentage of graduates, but can find no difference between graduates and non-graduates based on the results obtained. To get the right man with the right background is the main thing.

Mr. BEECH: I want to say what a marvellous job the branch has done in connection with this part two. I wonder if the interest is still being maintained? You had 1,587 enrolments. What percentage of these people would come through? What has the record been?

Mr. RUTHERFORD: Of the 1,587 enrolments—I gave you the tables here because it would take too long to read them—out of 24,192 houses which have been commenced, 2,157 are under part two, and that has all been since 1954. There were only a very few in 1954, and in 1955.

Mr. BEECH: So of the 1,587 enrolments which you say you had in 1958-59 what percentage of those people have made final application and have been accepted?

Mr. RUTHERFORD: About one-half. We collect a certain amount of money from these people. They pay a different amount at different schools, and we give this back to them once they have signed the contract. So the people who do not build, while they get the benefit of very cheap tuition, pay a little for it. They pay for the cost of the material used.

Mr. BEECH: Is interest still being maintained in this particular section?

Mr. RUTHERFORD: Yes.

Mr. BEECH: Are you still acquiring land for this purpose?

Mr. RUTHERFORD: Yes, we are.

Mr. THOMAS: I notice that 631 farms were vacated on dominion and provincial land. Could the director give us any idea where these were located and the reason why they were failures?

Mr. RUTHERFORD: The majority of them were "early on"; many of these people took the bush off and left.

Mr. THOMAS: They were homesteaders?

Mr. RUTHERFORD: Yes, homesteaders pretty much. Most were in the provinces of Quebec and Alberta. This was something over which V.L.A. did not have a great deal of control. At the present time we have two projects, one of which is in Alberta and one at Carrot River, Saskatchewan. The provinces are cooperating well in helping to keep these people on.

Mr. THOMAS: Were additional grants provided?

Mr. RUTHERFORD: We gave them a grant of $2,320 which was the maximum conditional grant for a veteran settled under our act. They earn that in ten years.

Mr. THOMAS: How were these provisional grants given?

Mr. RUTHERFORD: We either effected permanent improvements on the property which was still owned by the province, or we purchased livestock and equipment. It could be used for either purpose.

Mr. ORMISTON: In the Carrot River scheme they could not find purchasers for the land which was left.

Mr. RUTHERFORD: The province takes it back. They pay us for any improvements we put on it, that is, if the veterans turn it back within ten years. After that the veteran gets paid for it. But if there are improvements, when they sell the property they give the veteran so much. They are paid for what they invested at its present value.

Mr. HERRIDGE: What is the relationship of your credit advisors in connection with the province and the federal Department of Agriculture? Is there some cooperation there?

Mr. RUTHERFORD: I would say there is absolute co-operation, and it is important that there should be. When meetings are held it is very seldom that the agricultural representative is not invited to come and take an active part. We suggest the part that they should take because we feel that the job of the credit advisor is one of pre-loan counselling. If the payments are met, and the farmer is considered capable, we encourage him to use the provincial facilities.

Everything is coming along nicely. There were a few hitches early on, but there is good co-operation now with every province.

The VICE-CHAIRMAN: Are there any other questions under item 466?

Item agreed to.

467. 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 ..... $ 55,900

Item 467 agreed to.

468. Grants to veterans settled on Provincial Lands in accordance with agreements with Provincial Governments under section 38 of the Veterans' Land Act and 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 ..... $ 190,000

Mr. MACDONALD (*Kings*): I wonder if Brigadier Rutherford would explain about provincial land grants. Are there any veterans settled under that section?

Mr. RUTHERFORD: I do not think we have an agreement with Prince Edward Island.

Mr. MACDONALD (*Kings*): Can you roughly explain what type of settlement that covers under provincial land?

Mr. RUTHERFORD: That was what we were talking about. When the province settles a veteran on provincial land, we may give him a grant equivalent to what we give to a man under section nine. This is earned in ten years under almost the same conditions, provided he stays on that provincial land.

Mr. THOMAS: Could the director give us an idea of whether that particular type of settlement on provincial or dominion land was successful and if successfully effected, if it improved the property?

Mr. RUTHERFORD: Let me answer you this way: since I have been with the branch, particularly since 1950, we have done nothing to encourage it, because we feel that there are a good many reasons why we should see that

land which is available and serviced with hydro, telephones, churches, schools, roads and so on, and which is still available, should be used first. Some of these projects are good, but some of them are very difficult for the settlers. Some will be quite successful, but it may take a long time.

Mr. HERRIDGE: Can you tell us how many there are in British Columbia, and where they have been located generally?

Mr. RUTHERFORD: I could give you that, but it would take a little time.

Mr. HERRIDGE: Thank you.

Mr. RUTHERFORD: They are in the Cariboo and between Prince George and Prince Rupert, with some in the Kootenays and in the Peace river block of course. We consider the block as in Alberta because it is administered from Alberta. There are 192 all told.

Mr. HERRIDGE: That is quite a number.

Mr. RUTHERFORD: I think there are some on the Queen Charlotte islands too.

Mr. BROOME: We cannot have that.

Mr. BENIDICKSON: Some years ago—I think it was in Saskatchewan—the Veterans' Land Act was being asked to provide normal land to veterans; but in this instance it seems to me that what is involved was the opening up of new land on a cooperative basis. Did that project succeed? What has been the experience both in the payment for the land and the permanent settlement of the original members of the group?

Mr. RUTHERFORD: There was one very successful co-operative at Matador, on the Matador ranch. The province subdivided it and put a co-operative on it. At Carrot River there were sixteen co-operatives set up but all six have disbanded, and of these one is in the process of disbanding now. That does not mean that these men have left, but that they have ceased to be co-operators. We assisted them with equipment which was brought co-operatively, and when they disband it is divided up.

Mr. BENIDICKSON: How many persons were involved in the southeast of my province at Matador?

Mr. RUTHERFORD: Eighteen.

Mr. MCINTOSH: By the way, that is north of Swift Current.

Mr. RUTHERFORD: There were sixteen cooperatives. Six are still in existence. The total number individually established was 107.

Mr. W. STROJICH (*Superintendent, Property Division, Veterans Land Act*): There were 16 grants earned. There were a total of 99 veterans established on the cooperative. Of those 99, 16 have earned grants; 6 have repaid loans and were reestablished under the Veterans Land Act under other sections of the act as individual owners under a repayable loan. Seventeen were established individually under other provincial arrangements. They left their cooperatives and changed their location. There were 37 that left. Twenty-three are still operating and we assume will earn their grants under the act. That is in respect of the cooperatives.

In addition to that, there are 107 in the general area of the Carrot river who were established individually as farmers. Of those 107, 13 have left their properties for one reason or another. Twenty-four have earned grants. Seventy are still on provincial leases and are farming. We assume they will earn their grants.

Mr. HERRIDGE: What is the usual reason given for veterans leaving cooperative areas?

Mr. RUTHERFORD: I could not answer that. I was at Carrot river once when some were speaking of leaving. They said they would like to be on their own. That was the only reason I got from them.

Mr. HERRIDGE: Is it the fundamental individualism of the Canadian farmer?

Mr. RUTHERFORD: Probably.

Item 468 agreed to.

469. Grants to Indian veterans settled on Indian reserve lands under section 39 of the Veterans Land Act ..... $ 75,000

Mr. THOMAS: Could we have the same information concerning the Indian grants and the number of Indian settlers who were started, the number who have completed their contracts and the number who have given them up?

Mr. RUTHERFORD: The number established as of March 31, 1956, was about 1,570. There were 1,500 at March, 1956; the next year, 37, the next year, 21 and the next year, 15. Of course they are administered by the Department of Citizenship and Immigration under the Indian affairs branch.

Mr. THOMAS: How many, if any, have given up?

Mr. RUTHERFORD: Fifty-seven have left.

Mr. STEWART: Are there any in the province of New Brunswick?

Mr. RUTHERFORD: There are some, but we do not have the figures.

Mr. THOMAS: Could I have the numbers sometime?

The CHAIRMAN: It will be furnished later.

Mr. STEWART: That will be fine.

Item agreed to.

470. 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 amonut in keeping with the productive capacity of the property or his ability to repay his indebtedness under regulations approved by the Governor, in Council ..... $ 1,500

Item agreed to.

471. To authorize, subject to the approval of the Governor in Council, necessary remedial work on properties constructed under individual firm price contracts and sold under the Veterans' Land Act and to correct efects 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 ..... $ 11,850

Mr. STEWART: Could we have an explanation of item 471?

Mr. RUTHERFORD: As to remedial work?

Mr. STEWART: Yes?

Mr. RUTHERFORD: That has to do principally with the 2,673 houses which were built in the 1945-1946 project. Some of them were considered not of very good construction and difficulties are still cropping up. This vote does not apply to houses built by veteran contractors because they are themselves responsible. Where there was a civilian contractor and something was found to be wrong with the house after it was completed and paid for, and it was not possible to have it rectified by the contractor, then we have some responsibility having supervised the construction.

We have to have a little money in the "kitty" to pay for these things.

Mr. STEWART: Thank you.

Mr. PUGH: That is a forecast of expenditure of what you reasonably think you will have to put out. Would that amount run around $9,000 a year straight back?

Mr. RUTHERFORD: There are a few other items in that as well as remedial.

Mr. H. G. GRIFFITH (*Superintendent of Construction, Veterans Land Act*): We set a figure of $5,000 for construction. We have not been using that amount up to the present time, but there are other items included in that amount.

Mr. PUGH: Is there a figure of the amounts which have been paid out since the start of 1946?

Mr. GRIFFITH: That could be made available.

Mr. A. D. MCCRACKEN (*Senior Administrative Officer, Veterans Land Act*): I can give you the expenditure figures from 1950-1951 to the present. For 1950-1951 it was $7,974, in 1951-1952 it was $7,848, in 1952-1953 it was $510, in 1953-1954 $2,285, 1954-1955 nil, 1955-1956 $3,290, 1956-1957 $9,405, 1957-1958 nil. We estimate it at $9,000 for 1958-1959.

Mr. PUGH: On what amount of contracts?

That is an accumulative total of something over $23,000 for housing.

Mr. MCCRACKEN: Some of this money is spent on subdivisions for other than houses, on such things as drainage or roads which we have not yet had taken over by the municipalities.

A few years ago in one case there was an easement which had not been previously discovered on one of the subdivisions.

For this coming year 1959-1960 we have knowledge of approximately four cases where we may have to spend some money in correcting defects for which neither the veteran nor the contractor is responsible or could not be held responsible.

Mr. PUGH: If there are defects, surely the contractor would cover that?

Mr. MCCRACKEN: There is one case right now where the work was carried out; in fact, it is either virtually complete or has been completed. In this instance, as soon as the final costs are determined the matter is going to be referred to the Department of Justice for consideration of legal action.

Mr. PUGH: That total you gave us is roughly $40,000. I am wondering, if it is not added to the veterans contract, if something should be done in each case to see you get it out of the contractor?

Mr. HERRIDGE: Is it not correct to say that this $40,000 includes quite a number of other items besides repairs or improvements?

Mr. MCCRACKEN: As an example of the $9,405 spent in 1956-1957 there were something like $5,000 required on one subdivision to correct a drainage situation, ditching and roads. So it does not all relate to contractors' houses. That subdivision had been developed in 1945-1946.

Mr. PUGH: It does not all apply to bad contract work?

Mr. GRIFFITH: No.

Mr. HERRIDGE: No. As one of the older members of this committee I may say that this was quite a problem in 1946-1947 because of the way in which the building was done then and the problem of obtaining materials in haste. In my opinion the total is very small and has been more to the benefit of the veteran in every case than it might have been if there had been a lot of legal quibbling.

Item agreed to.

SOLDIER SETTLEMENT AND VETERANS' LAND ACT

487. Protection of security—soldier settlement and refunds of surplus to veterans ..... $ 4,550

Mr. RUTHERFORD: There is one correction I might make. The appropriation for 1958-1959 was not sufficient for our purposes and there was a supplementary vote of $1,204,000.

Mr. LALONDE: You are on the wrong item.

Mr. RUTHERFORD: I am sorry. This has to do with the next item. There was a supplementary and the figure of $14,827,000 should read $16,362,050.

The VICE-CHAIRMAN: Item 487. Are there any questions?

Item agreed to.

The VICE-CHAIRMAN: Item 488. The explanation given by Mr. Rutherford pertains to 488. Are there any further questions?

488. Purchase of land and permanent improvements; cost of permanent improvements to be effected; removal of encumbrances; stock and equipment; and protection of security under the Veterans' Land Act $15,687,465

Mr. LENNARD: This is a capital item?

Mr. RUTHERFORD: Loans and investments.

Mr. HERRIDGE: What is the policy of the branch at the present time with respect to acquiring properties in advance of applications by veterans? I have in mind some very suitable locations around Trail which, if they were purchased by the branch, would provide opportunities for settlement under the small-holding section.

Mr. RUTHERFORD: Where there is a demand for it. The policy is, not to buy in advance of demand.

Mr. HERRIDGE: You do not buy in advance of applications?

Mr. RUTHERFORD: Yes; according to demand. The Legion generally organizes a group that wants to buy, or some other group does, and asks for a particular property. Or, if the demand is there, we will try to buy suitable property.

Mr. ROGERS: Mr. Chairman, have we an estimate of what the settlement will be this year?

Mr. RUTHERFORD: If there were no changes in legislation, our estimate is that it would be approximately the same as it was in the past fiscal year—probably a few less farms. If there is more money available, we think it will go up.

The VICE-CHAIRMAN: Are there any further questions?

Mr. HERRIDGE: Do I understand that if, say, the Legion in Trail notified the branch that a number of World War II veterans had signed forms seeking locations under the small holdings section of the Veterans' Land Act, the branch would then do its best to obtain property to meet that need?

Mr. RUTHERFORD: Yes. We would want to test that demand to make sure the people were prepared to buy it.

Mr. HERRIDGE: Prove the demand?

Mr. RUTHERFORD: That is right.

The VICE-CHAIRMAN: Does that item carry?

Item agreed to.

The VICE-CHAIRMAN: That covers the items, with the exception of item 1, and I think we had better leave that out until we finish on Monday. There is another delegation to be heard on Monday, and we will finish with the Legion.

Mr. HERRIDGE: This is only a preview, actually, of the Veterans' Land Act administration, is it not, in view of the act?

The VICE-CHAIRMAN: In view of the act, yes. There is going to be a bill before us, and you can then go into the legislation of the Veterans' Land Act again very fully. I think Colonel Lalonde, the deputy minister, wishes to fill in some places.

Mr. LALONDE: Mr. Chairman, I should like at this stage to complete the record as far as corrections and answers to previous questions are concerned.

We have not had a chance at previous meetings to do this, and I should like to do that now before the study of the estimates is completed.

First of all, the corrections. At page 67 the chairman of the army benevolent fund is shown as General Murchison. So there will be no confusion, I should like to point out that his name is General Murchie.

At page 133, in the last paragraph of Mr. Parliament's statement in line one, it now reads "706 girls of the 382". This should read, "106 girls of the 382".

At page 145 the annual grant to the army benevolent fund is shown as $9,000. This should read, $8,000".

At page 146 of the record it is indicated that the army benevolent fund started in 1946 with $7 million. We have checked that figure. We did not have the information at the time. We have checked the figure and it shows that the original amount placed in the fund was $9,293,477. Up to March 31, 1958 revenues, consisting mostly of interest, amounted to $2,684,922, with the result that the total receipts to that date were $11,978,399. The fund had spent out of that $4,461,004. So that you can see from these figures that there has been a fairly substantial decrease of capital since the fund started its work.

At page 35 of the record there is a question by Mr. Speakman asking us whether we could determine what the cost would be of having medals distributed for World War II engraved locally. I am sorry, but we are not able to give you a definite answer on that, because from the information which we have been able to gather the price would vary between each city and even within each city between the people who could do the work. The only information we were able to gather was an estimate from Henry Birks and Sons, and they told us as far as engraving was concerned, the normal cost would be between 10 and 12 cents a letter, which would mean about $2 a medal. That is for engraving. There are other methods of achieving the same results, but there are so many methods that it is impossible to give you a definite figure.

Mr. SPEAKMAN: Thank you very much.

Mr. LALONDE: Mr. Speakman, and also Mr. Pugh, asked for the number of veterans in the Yukon and the concentration in the centers of population, particularly Whitehorse. We have been in touch with the Department of Northern Affairs and with the Dominion Bureau of Statistics, and they have provided us with the following information. I must say that until the next census takes place this is the only source of information that we could have about population in the Yukon. They tell us that the total population is now estimated at 13,000 of whom 11,300 are whites and the remainder, 1,700, nearly all Indians. There are estimated to be 7,300 males, of whom about 2,300 are between the ages of 35 and 75. The population figures for the incorporated municipalities of the territory in 1956 showed 2,600 civilians in Whitehorse, with about 2,500 military personnel and their dependents stationed just outside the town. There were 850 persons in Dawson, and 250 in Mayo. The remainder of the population is scattered in small settlements and, as you know, is widely dispersed. The present veteran population of the whole territory is difficult to determine with any accuracy. The records of our department show that there are only 14 war veterans allowance recipients in the area. I am also informed that the number of pensioners under the Pension Act is about 60.

Assuming the percentage of veterans is as high as 50 per cent of the male population between 35 and 75—which, by the way, would be unusually high —the total number of veterans would be between 1,100 and 1,200. And our files do not reveal the proportion of veterans in the three municipalities which I have mentioned. But we think that the number in Whitehorse would likely be around 260, applying the usual percentage of veterans population to civilian population.

This figure is, we think, supported by the information which I have, that the only Legion branch in the territory, which is situated at Whitehorse, has a membership of about 200. On the same basis, we think there might be about 85 veterans in Dawson and about 25 in Mayo. Does that answer your question?

Mr. SPEAKMAN: Thank you.

Mr. LALONDE: Mr. O'Leary asked for some information about the basis which was used to arrive at a decision on the limiting of 365 days' service in the United Kingdom in World War I for the purposes of war veterans allowance.

I have looked over the information which we have and our first record of representations on this subject is a resolution passed at the 1948 convention of the Canadian Legion. It read, "Resolved that the benefits of the W.V.A. Act be extended to Canadian veterans who served in Great Britain only for a period of 18 months or more during World War I".

The matter was subsequently discussed in various parliamentary committees, but no specific recommendation was made and no action was taken on this subject by the government.

In November, 1956, the Canadian Legion presented a brief to the Prime Minister and to the cabinet in which this resolution appeared, "Veterans of World War II who served in England only are eligible for W.V.A. and many who served in the same theatre during World War I suffered equal, if not greater hardship. The Canadian Legion therefore recommends that Canadian veterans of World War I whose overseas service was restricted to the United Kingdom be eligible for W.V.A., provided that such service be at least one year in duration".

Following this, we were instructed to make a survey of the numbers involved and to estimate the cost of various proposals. We found that around 80,000 veterans had served in the United Kingdom only in World War I and that their service was distributed as follows: in 1914, 4,147; in 1915, 12,475; in 1916, 19,411; in 1917, 10,388; in 1918, 33,459, and in 1919 the figure is 120.

Deductions were made from this total number to exclude groups such as deaths, desertions, transfers to other forces, et cetera, and this left us with a potential of around 64,000 individuals.

We then made a sample survey of these to determine length of service in the United Kingdom, and our findings indicated that approximately 30,000 were either in receipt of diability pension or were dual service veterans. This left us with a balance of 34,000 who would be involved in any decision along these lines. These 34,000 were divided into three groups: those who had 12 months service or more, there were 8,800 of those. There were 4,900 who had only between six and twelve months' service and 20,600 with six months or less.

We also estimated at the time that 10,800 widows would be involved and their number would be divided into the same three groups. These are the figures. There were 3,500 widows whose husband served for twelve months or more; 1,600 whose husband served between six to twelve months and 5,700 whose husband served less than six months.

When we made this survey in 1957, we estimated that out of the first group I have mentioned, 2,280 veterans and 1,050 widows would qualify immediately from the viewpoint of age and income; and that the cost of granting them the allowance would be an additional $3 million a year.

If eligibility was to be granted at the time to the three groups, applying the same percentage with respect to age and income, the total cost would have been $10 million a year and the number affected would have been 7,500 veterans and 3,200 widows.

The government then made the decision to present an amendment to the act to parliament and this amendment was approved, granting eligibility to the

first group only. The decisions behind this amendment were explained in the house by the present minister at page 886 of *Hansard* of November 7, 1957.

When the Hong Kong veterans appeared before the committee there were a number of questions asked at pages 110 and 111, which went unanswered at the time because we did not have the information. Our departmental secretary, Mr. Black, has been working hard to obtain as much information as it is possible to get at this stage on the subject. I would like to ask him to give the committee the information.

The VICE-CHAIRMAN: Gentlemen and members of the committee, Mr. Dinsdale received a letter from the Minister of Finance explaining the situation in regard to the war claims fund. I wonder if this letter should be read into the record before the next explanation of this fund comes up? What is your wish? Would it be agreeable to just hand it in or would you like to have it read first?

Mr. HERRIDGE: I think, Mr. Chairman, it would be a good idea to have it read before any further information is given. I would ask the Clerk to read the letter.

THE CLERK OF THE COMMITTEE:

Ottawa, April 10, 1959.

Mr. Walter Dinsdale, M.P.,
Chairman of the Standing Committee
on Veterans Affairs,
House of Commons,
Ottawa, Canada.
Dear Mr. Dinsdale:

As a result of questions which were asked at the meeting of the Standing Committee on Veterans Affairs on March 9, 1959, the Deputy Minister of Veterans Affairs has asked this department to supply information concerning the war claims fund for the benefit of this committee of which you are Chairman.

The war claims fund was established by the Minister of Finance in acccordance with the authority given to him by parliament under vote 696 of the supplementary estimates for the fiscal year 1952-53. I am attaching a copy of the wording of this vote for your information.

This procedure implemented the recommendation of the advisory commission on war claims under Chief Justice J. L. Ilsley of Nova Scotia, which was established on July 31, 1951, to inquire into and report on war claims prior to the establishment of the present war claims commission whose function has been primarily to review all claims and to recommend awards in accordance with the war claims rules.

The advisory commission recommended that the war claims fund consist of funds drawn from appropriate ex-enemy sources. At the time of the submission of the report of that commission on February 25, 1952, the estimate of the probable total of assets which would be available for liquidation and payment into the fund was $10 million. The level of the war claims fund has fluctuated over the years but at its peak this fund never passed the $12 million level, including the par value of bonds which were transferred to the Minister of Finance by the custodian pursuant to the vote which provided for the establishment of the fund. Interest is credited from time to time on the cash balance in the fund and is earned by the bonds held for the credit of the fund.

The fund is being rapidly depleted at the present time due to the large payments in respect of the supplementary maltreatment awards

which are still being paid. While accounts for the last fiscal year are not yet final, tentative figures for the position of the fund on March 31, 1959, show that the combined value of the cash and the market value of the bonds held to the credit of the fund was about $4.6 million.

The total of payments on claims from the fund up to that date in respect of war operations involving Japan was $5.2 and $4.7 million in respect of operations elsewhere or a total of $9.9 million. Maltreatment awards comprise the greater part of those related to the war operations involving Japan as is seen from the following table:

Hong Kong veterans and dependents	$3,021,414
Canadians serving with British forces	188,940
Civilians	494,788
	$3,705,142

The balance of $1.5 million of the Japanese awards has been paid to civilians for death, personal injury and property loss claims in the Far East.

On considering the question of a possible ultimate balance in the war claims fund, I should point out that the outstanding amounts claimed are many times the present balance although it is still too early to say what will be the total of the amounts recommended for payment by the chief war claims commissioner. While the payment of the supplementary maltreatment awards to former Hong Kong prisoners is almost complete, there are still large numbers of former prisoners in Europe who have not yet been paid their supplementary awards. The recent publicity given to this subject has brought in many new claims from the latter group and there are claims still pending for death and personal injury as well as property claims which have been assigned the lowest priority.

I might add that the bulk of the unsettled claims are in respect of the war in Europe so that the proportion of awards already paid in respect of the Far East should not be regarded as representative of the final distribution of valid claims as between the two areas of conflict.

Yours sincerely,

Donald Fleming.

696 To authorize

(a) the custodian of enemy property to transfer to the Minister of Finance such property, including the proceeds and earnings of property, that is vested in the custodian in respect of World War II as the governor in council prescribes,

(b) the Minister of Finance to hold, sell or otherwise administer property received by him from the custodian under paragraph (a) or from other sources by way of reparations by former enemies (except Italy) in respect of World War II, and

(c) the Minister of Finance to establish a special account in the consolidated revenue fund to be known as the war claims fund, to which shall be credited all money received by him from the custodian under paragraph (a) or from other sources by way of reparations by former enemies (except Italy) in respect of World War II, the proceeds of sale of property under paragraph (b), the earnings of property specified in paragraph (b) and amounts recovered from persons who have received overpayments in respect of claims arising out of World War II;

and, notwithstanding section 35 of the Financial Administration Act, to provide for payments out of the war claims fund in the current and subsequent fiscal years, in accordance with regulations of the governor in council, to persons who claim compensation in respect of World War II, for the payment out of the war claims fund in the current and subsequent fiscal years of expenses incurred in investigating and reporting on claims of those persons and for the repayment out of the war claims fund to vote 128 (miscellaneous minor and unforeseen expenses) of all amounts that have been paid out of that vote pursuant to the war claims interim compensation rules established by Order in Council, P.C. 667 of February 4, 1952 ..... 1.00

Mr. BEECH: Does that include the ones recorded as a result of the capture of any vessels? There is some prize money; is that included in this vote?

Mr. LALONDE: As I understand the letter, this includes the property which came under the custodian of enemy property which was situated in Canada at the beginning of the war and which belonged to enemy aliens.

Mr. BEECH: I had an inquiry the other day as to what happened to the prize money that accrued as a result of the capture of enemy ships.

Mr. LALONDE: I do not think it is included in this, Mr. Beech.

The VICE-CHAIRMAN: Mr. Black will now make his statement.

Mr. C. F. BLACK (*Deparmental Secretary, Department of Veterans Affairs*): There were various items mentioned in the brief presented by the Hong Kong veterans about which there was some discussion or about which we promised to provide information.

I shall take them in the order in which they occur in the proceedings. On page 110 Mr. Carter asked a question concerning the agreement signed at Berne with respect to the Geneva convention regarding the treatment of war prisoners. This convention was signed in 1929 by many powers including Canada and Japan. Ratification of that treaty was made by certain of the powers. Japan, however, did not ratify it, or, I am informed, did Canada until some years later.

Following the beginning of the war, in December 1941, a British commonwealth committee through an intermediary power approached the Japanese authorities with the statement that the British commonwealh proposed to abide by the terms of the Geneva convention. And in February, 1942 the Japanese replied that they also would abide by the terms of that convention, but they added the words "mutatis mutandis". That phrase has not yet been satisfactorily explained.

On page 118 the Hong Kong veterans association mentioned two orders in council that had been issued with respect to payments which would be given to the veterans of Hong Kong, or more generally, the veterans of Canada as a whole.

We have found three orders in council and we have been provided with copies of them by the Department of National Defence. These orders in council are rather long, and I propose merely to summarize their provisions and table them for inclusion in your report, if that is satisfactory.

The VICE-CHAIRMAN: It is agreed.

Mr. BLACK: The first one is P. C. 3593 dated May 17, 1945. This order in council provided for additional pay, which could be called Pacific pay, for the Pacific force which was being formed in anticipation of operations in the Far East. This order made no reference to additional pay for Canadians who had previously served in the Far East, including the Hong Kong contingent.

P. C. 3593

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by his Excellency the Governor General on the 17th May, 1945.

The Committee of the Privy Council have had before them a report, dated 16th May, 1945 from the Honourable D. C. Abbott, for the Minister of National Defence, stating as follows:

1. (*a*) The Governments of the United Kingdom and the United States of America have provided additional pay for service in the Far Eastern Theatre of war.

(*b*) It is now deemed expedient to provide additional pay for those members of the force who will serve with the Canadian Pacific Force in recognition of the extra hazards peculiar to that theatre of war and to place the general scale of Canadian pay for the Japanese Campaign on a more favourable comparative basic with the British and American scales of pay for personnel serving in the Pacific theatre of war.

(*c*) The proposed rates of additional pay set forth in the Order hereto attached would provide an additional rate of pay for all members of the Canadian Pacific Force while serving with that Force beyond the territorial limits of Canada. The computation of this pay is based on a graduated scale similar to that used by the Government of the United Kingdom as it is considered more equitable that the basis of American Foreign Service Pay which provides an increment of ten per cent for officers and twenty per cent for men while serving beyond the continental limits of the United States.

(*d*) The rates provided in the said Order for members of the C.W.A.C. are approximately four-fifths of the appropriate men's rate.

2. The estimated cost of the foregoing proposal for seven months of 1945-46 amounts $2,207,188.00 of recurring expenditure, for which funds are available in the 'Pay and Allowances' Allotment of the 1945-46 Annual Army Estimates.

The Committee, therefore, on the recommendation of the Honourable D. C. Abbott, for the Minister of National Defence, advise that the Financial Regulations and Instructions for the Canadian Active Service Force (Canada) be amended in accordance with the attached draft Order May 16, 1945, and marked Appendix "A".

(Sgd) A. D. P. Heeney,
Clerk of the Privy Council.

The Honourable
The Minister of National Defence.

P.C. 3593
(DRAFT ORDER)

This is Appendix "A" referred to in Submission to Council dated 16th May, 1945.

(For the approval of the Governor-General in Council)

Headquarters, Ottawa, 16th May, 1945.

FINANCIAL REGULATIONS AND INSTRUCTIONS FOR THE CANADIAN ACTIVE SERVICE FORCE (CANADA)—AMENDMENT (No.)

Financial Regulations and Instructions for the Canadian Active Service Force (Canada) are amended as follows:

Article 72

Add new sub-para. "(*d*)" as follows:
"(*d*) Japanese Campaign Pay (Article 400)"

Article 183

Insert "Japanese Campaign Pay—Article 400"
Add new Part XVI as follows:

"PACIFIC THEATRE OF OPERATIONS"

Article 400

"JAPANESE CAMPAIGN PAY"

(1) A member of the Canadian Pacific Force shall upon date of departure from Canada and while serving in the Pacific theatre of operations and elsewhere beyond the territorial boundaries of Canada be granted extra pay as follows:

	Daily Rate Other than C.W.A.C.	C.W.A.C.
Officers of the rank of—		
Major and above	$1.00	.80
Captain	.90	.70
Lieutenant and 2nd/Lieutenant	.75	.60
Other Ranks		
Warrant Officer, Class I	.65	.50
Warrant Officer, Class II	.55	.45
Squadron, Battery or Company or Company Quartermaster-Sergeant / Staff Sergeant	.50	.40
Sergeant	.45	.35
Lance-Sergeant, Corporal and Lance-Corporal	.35	.30
Private Soldier	.30	.25

(2) The above rates of extra pay shall be payable in addition to the regimental or special rate of pay, tradesmen's rates or any other extra pay to which a member of the Force is entitled under these regulations.

(3) The above rates of extra pay shall not be included in computing assignments of pay under Articles 88 and 88B of these regulations.
(Effective: 1st June, 1945)

H.Q.S. 9147 FD.2
H.Q. 54-27-5-4

Mr. BLACK: The next order in council is P.C. 105/238; dated January 23, 1946.

This order in council recognized the conditions with respect to kit and other possessions of the Canadian force which had been imprisoned at Hong Kong, and which by and large had suffered more in comparison with other Canadian forces, and in this order some special provision was made which varied from the normal. The arrangements were the same as those adopted by the British government. It included financial arrangements for the cashing of far eastern currency, including the Japanese yen, into dollars, and it included special compensation for loss of kit and effects, and particular expenditures and so on.

H.Q. 54-27-5-123 F.D. 2

P.C. 105/238

Certified to be a true copy of a Minute of a Meeting of the Treasury Board, approved by His Excellency the Governor General in Council, on the 23rd January, 1946.

National Defence

The Board had under consideration the following memorandum from the Honourable the Minister of National Defence:

"The undersigned has the honour to state that the Adjutant-General has reported that:—

(*a*) 'C' Force was organized to consist of a Brigade Headquarters, two Infantry Battalions and certain Ancillary Troops requested by the British War Office to complete the British Force in occupation of Hong Kong in 1941.

(*b*) When Hong Kong was overrun in 1941 by the Japanese and the British Forces surrendered, all members of 'C' Force were either killed or captured and from 1941 to 1945 were interned in prison camps.

(*c*) 'C' Force was designed for use as garrison reinforcements, consequently the members of this force suffered greater losses of personal effects than those serving in other theatres during the present war as nearly all their belongings were confiscated upon the surrender of Hong Kong. Furthermore, pay and allowances forwarded to Officers of this force through the Protecting Power, The International Red Cross Society and other agencies were never received in full by such members and in certain cases were not received at all. These payments, however, were debited to the pay accounts of such officers which were maintained in Canada.

(*d*) Owing to the poor quality of the food, clothing and other necessaries provided Canadian Prisoners of War by the Japanese, it was necessary for officers of the Force to purchase food, clothing and other essentials through a black market at exorbitant prices and purchases thereon were debited to their individual accounts by the Paymaster, who was a British Army Officer.

(*e*) Articles 778A and 778B of Financial Regulations and Instructions for the Canadian Active Service Force (Overseas) provide for the payment of compensation for loss of kit and personal effects incurred by officers. These regulations, however, are considered inadequate to deal with claims arising from the surrender of 'C' Force and, furthermore, do not cover claims from other ranks.

The Honourable

the Minister of National Defence.

(f) The British practice being followed in connection with liberated prisoners of war rose from the Far East as regards pay adjustments, loss of personal effects, etc., is as follows:—

(i) Any deductions which have been made in the accounts of officers and protected other ranks in respect of pay presumed to have been received by them as Convention Payments from the Japanese authorities during captivity are being refunded.

(ii) No account is being taken of any pay or working pay which may have been issued to such personnel during their captivity nor will any account be taken of any credit balance claimed or certified to be due from the Japanese Government as the result of the receipt of such pay or working pay.

(iii) Japanese issued currency in possession of returning personnel is being exchanged at the rate of 1 yen or 1 Siamese baht, or 1 Straits dollar, or 1 Malay dollar, or 1 Burma rupee, or 1 Indo-China piastre, or 1 Hong Kong dollar for 1s 7/8d up to a limit of £ 2.0s.0d. Any sum in excess of £2.0s.0d. is being withdrawn pending further instructions.

(iv) Claim for compensation for loss of kit, effects left in prison camps, expenditures during escape, personal effects and currency lost as the result of occupation of territories by the enemy or due to confiscation by the enemy and other miscellaneous claims are being accepted and consideration given in each individual case.

(g) It is proposed that similar provisions be made for liberated Canadian Prisoners of War and that the Adjutant-General be empowered to receive and adjust such claims and to make the necessary compensatory adjustments in pay accounts.

2. The Deputy Minister of National Defence concurs in the foregoing proposal and in order to give effect thereto recommends that an Order providing for the adjustment of such accounts and the delegation of certain powers to the Adjutant-General be authorized.

3. It is not possible to estimate the cost involved in this proposal."

The Minister accordingly recommends,—

(i) That any deductions which have been made in the accounts of officers and Protected Other Ranks of the Canadian Army who are liberated prisoners of war from the Far East, (hereinafter referred to as 'liberated prisoners') in respect of pay presumed to have been received by them as Convention Payments from the Japanese authorities during captivity, be refunded.

(ii) That no account shall be taken of any pay or working pay which may have been issued to liberated prisoners during their captivity nor shall any account be taken of any credit balance claimed or certified to be due from the Japanese Government as the result of the receipt of such pay or working pay.

(iii) That Japanese issued currency in the possession of liberated prisoners shall be exchanged at the rate of 1 yen or 1 Siamese baht, or 1 Straits dollar, or 1 Malay dollar or 1 Burma rupee, or 1 Indo-China piastre, or 1 Hong Kong dollar for 1s. 1 7/8d up to a limit of £2.0s.0d; any currency having an exchange value in excess of £2.0s.0d to be dealt with in accordance with current British practice.

(iv) That the Adjutant-General be hereby empowered to receive and at his discretion to pay in whole or in part claims of liberated prisoners for loss of kit, effects left in prison camps, expenditures during escape, personal effects, currency losses and other miscellaneous claims arising from the occupation of territories by the enemy or from confiscation by the enemy, in accordance with British scale and practice.

The Board concur in the above report and recommendation, and submit the same for favorable consideration.

(Sgd.) A. D. P. Heeney,
Clerk of the Privy Council.

Mr. BLACK: The third order in council is P.C.1286, dated March 17, 1949. This order referred to the first one to which I made reference, and it had the net effect of including Hong Kong force in the Pacific force for the purpose of pay from the effective date for Pacific pay. That date was June 1, 1945.

I am informed by the Department of National Defence that all the Hong Kong veterans entitled to receive this additional Pacific pay were duly paid shortly thereafter. They were given priority.

From a number of cases which were reviewed recently, the period for such extra payment was found to run from June 1, 1945 until sometime in December of that year.

P.C. 1286

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 17 March 1949.

The Committee of the Privy Council have had before them a report dated 17th March, 1949, from the Minister of National Defence, stating as follows:

(a) By Order in Council P.C. 3593 of the 17th May, 1945, (GO 181 of 1945) authority was granted for the payment of extra pay, known as "Japanese Campaign Pay", to members of the Canadian Army Pacific Force, to commence upon the date of departure from Canada.

(b) These provisions were reproduced in Article 400 FR & 1 (Can) (effective 1 June, 1945), which reads in part as follows—"A member of the Canadian Army Pacific Force shall, upon date of departure from Canada and while serving in the Pacific Theatre of operations and elsewhere beyond the territorial boundaries of Canada, be granted extra pay, etc." Consequently, this pay was awarded to Canadian Army Pacific Force personnel who went to the United States for training prior to serving in the Pacific Theatre.

(c) Members of the "C" Force (Hong Kong Expedition) who sailed from Canada in October 1941 to supplement the British Garrison in Hong Kong were not members of the Canadian Pacific Force under the provisions of the foregoing regulations and, consequently, were not entitled to such extra pay.

(d) In view of the Hardships suffered by the surviving members of "C" Force while prisoners in the hands of the Japanese, following the fall of Hong Kong, sympathetic consideration has been given to representations in favour of extending Pacific Campaign rates of pay to members of the Hong Kong Expedition, in order that members of the "C" Force may receive the same benefits as members of the Canadian Pacific Force of 1945.

(e) It is, therefore, desired to extend payment of Japanese Campaign Pay to members of the Hong Kong Expeditionary Force with effect 1st June, 1945, the date such pay was authorized by the above mentioned Order in Council.

The Committee, therefore, on the recommendation of the Minister of National Defence, advise that members of "C" Force (Hong Kong Expedition) who were prisoners of war in the hands of the Japanese Government on 1st June, 1945, be granted Japanese Campaign Pay at the rate and for the time authorized by Order in Council of 17th May, 1945, P.C. 3593, until two months after the return of such members to Canada.

Clerk of the Privy Council.

Mr. BLACK: On page 124 the representatives of the Hong Kong veterans made some reference to a verbal promise given to them with respect to their particular veterans benefits. I have been unable, through the Department of

National Defence or otherwise, to find any authority for any promises of benefits other than for those included in the veterans charter.

In the comment by the Hong Kong organization, reference is made to a booklet which they received. They called it "Where do we go from here"? I think the proper title was "Back to civil life".

All veterans received this booklet. It described in brief and simple terms the benefits available through the veterans charter. These benefits were the same for all veterans, depending on their service and on any disabilities they may have suffered.

I think that answers all the questions which we feel require comment at the present time.

Mr. HERRIDGE: May I ask one last question on this subject: why was this undertaken by the Department of National Defence when veterans are the responsibility of the Department of Veterans Affairs?

Mr. LALONDE: I shall have to answer that question, not from personal knowledge, but from what I have learned since I joined the department. I only joined in 1949, while this happened in 1945. I have been told that they were furnished with this booklet "Back to civil life" on their discharge. It was a sort of dual operation between the Department of National Defence represented by the three services, and the Department of Veterans Affairs which had been formed in 1944. There was liaison between the departments, so that the service men who were discharged from depots administered by the Department of National Defence, would, at that time, get all the information they would need with respect to their entitlement to benefits, and would not be asked unnecessarily to report to the Department of Veterans Affairs district offices which would only have meant an additional trip.

I understand that at that time there were people on the strength of the Department of National Defence who had had training with respect to veterans benefits. They were called army counsellors, air force counsellors, and I believe the navy had the same thing too. They were people who were advising prospective veterans as to what to do once they were out of uniform. That is why these hold-over veterans on their way back to Canada were looked after by Department of National Defence personnel, who gave them the information which they had received in turn from the Department of Veterans Affairs.

There is only one other point. I am afraid at the last meeting when you were discussing the veterans preference I attempted to trust my own memory in giving you the information. I only succeeded in thoroughly confusing the committee, I think, because when I read back the statement I had made, I found that it was very contradictory. So I went back to studying and I re-read the legislation.

I have only one excuse, which is that it was not the Veterans Affairs Act, it was the Civil Service Act. I found that I was both right and wrong in the explanations which I gave. I was right to this extent: that the statutory preference is given to two of the groups that I mentioned, and there may be special consideration given to the third group. I would like to straighten out the record with regard to the statement which I made.

The statutory preference is given to the veteran who is seeking employment in the civil service and it is granted to him under the Civil Service Act: section 2-G which states, in effect, that a veteran is a person who served in world War I on active service overseas or during World War II on active service outside its western hemisphere and who was honourably discharged therefrom. And section 2 (i) says that the widow of a veteran means the widow of a person who, being a veteran, died from causes arising during the service by virtue of which he became a veteran;

Section 10 of the Veterans Benefit Act of 1954 brings in under that definition veterans who served in a theatre of operation on the strength of the special force in Korea and also their widows.

There are two priorities of preference within that definition. The first priority is given to those who are in receipt of a disability pension by reason of their service.

The first priority is granted only once, provided the pensioner is considered as being rehabilitated.

The second preference is granted to qualified non-pensioned veterans with overseas service. You will notice that I say qualified veterans advisedly. Qualified veterans are entitled to this preference when they seek entrance into the civil service. In other words, they may have enjoyed it once, and have served for two years, and then gone out of the service, and then they want to come back in again. They are again entitled to class B preference.

The Civil Service Commission is required to prepare a list of eligible veterans who have qualified by examination for these positions. The disability pensioners are placed in the order of merit at the top of the list. If there are two disability pensioners both entitled to the A preference, and if one has 80 marks and the other 75 marks, then the one with the 80 marks is placed at the top of the list.

Those holding the B preference are placed in order of merit next on the list below the pensioners, if there are any. All others, and that means all other candidates, are placed in order of merit below those who have held the preference.

Now as to the third group, the one we were talking about the other day, who did not have service in World War II outside of the western hemishere: those men, because they had military service, may be considered more desirable candidates for a position for which no qualified candidate possessing either of the first two preferences appears, and although such a candidate is not entitled to the statutory preference, nevertheless, special consideration may be given to him on the grounds of personal suitability.

Suitably qualified candidates with military service will receive special consideration. I must admit that this applies mostly to positions in the Department of Veterans Affairs where we are looking for veterans, wherever they may have served, to fill our positions in preference to persons without military service.

Perhaps for the information of the members Mr. Black can give you a pamphlet which I think is the best I have seen giving a resume of this business of the preference in the civil service. I do not think it need be put in the record.

Mr. McINTOSH: I am not quite clear concerning the veterans preference in respect of a man who is already in the civil service and who wishes to apply for a higher classification, say, in a different branch.

Mr. LALONDE: Once he is in the civil service he can only advance by being the successful candidate in a promotional competition. Whether that be a promotional competition within his department, or one open to a number or all the departments, it is still a promotional competition and the veterans preference does not apply there.

Mr. McINTOSH: If he has stated his veterans preference in a competition and is not successful, he can still use his veterans preference in applying a second time for some other position?

Mr. LALONDE: You mean if he was not successful on his first application to enter the civil service?

Mr. McINTOSH: Yes?

Mr. LALONDE: Yes. He can apply as a matter of fact until he is successful.

Mr. McINTOSH: There was a question asked by Mr. Rogers to which we did not get the correct answer. I think the committee was misinformed by the answer we received.

Mr. ROGERS: I have not yet received the answer. It was in connection with a letter I received where a civil servant had eight years' service and wanted to take out his superannuation and was informed he could not do it. I understand that after five years' service there is no hope of getting a cash settlement.

Mr. LALONDE: I should think that would be governed by the terms of the Superannuation Act.

Mr. ROGERS: I imagine it would.

Mr. LALONDE: I confess this is one act where I am not going to attempt to give you any interpretation. It is one of the most complicated acts with which we have to deal.

Mr. ROGERS: I am afraid the other day they gave us the wrong interpretation. They said they thought it was possible to do so. In speaking to others afterwards, I gained the impression that it is not. This person wants to go on war veterans allowance. This would amount to about $30 a month and he would lose $5 a month. The ceiling is $140. So he would lose $10 a month.

Mr. LALONDE: Perhaps we can answer the question because it relates to the War Veterans Allowance Act.

Assuming this veteran could secure payment of his superannuation—

Mr. ROGERS: Which is about $1,100.

Mr. LALONDE: —in one lump sum, then that would be placed in the bank and would become assets. But he is married, so he would still be within the $2,000 allowed. If he received it as a regular payment monthly, it would become monthly income and would have to be taken into account in assessing how much war veterans allowance could be paid him to keep him within the income ceiling.

Mr. ROGERS: He is under the impression he will only get $90 a month. I cannot see that.

Mr. LALONDE: He is allowed to have $145 a month, and the basic rate is $120. If he gets $30 a month he will receive $115 in allowance which will give him the $145 a month total income.

Mr. ROGERS: The question which was to be settled was could he take this cash settlement after working for eight years?

Mr. LALONDE: I would suggest that the only people who can really give you an answer to that are the people who handle superannuation under the Department of Finance.

Mr. F. T. MACE (*Assistant Deputy Minister, Department of Veterans Affairs*): I think the answer is they can. I think any person who leaves the government service can have his contributions returned.

Mr. LALONDE: It is not thought of as a contribution. It is an annuity. I know that under the Superannuation Act after a certain time you are entitled to a deferred annuity. If you have not reached 60 you have to defer your annuity until you do reach 60 or are entitled to a return of contributions but I could not tell you under what conditions.

Mr. ROGERS: He is 65.

Mr. LALONDE: Then there cannot be any return of contributions. He is entitled to a pension because he is of pension age.

Mr. ROGERS: I think he has to take his $30 a month.

Mr. LALONDE: That is what I suspect. But if he is married he gets $25 a month added to the basic rate of the war veterans allowance.

Mr. WEICHEL: In the case of a fellow being disabled in the front line, he has the preference over the man disabled in Canada?

Mr. LALONDE: In effect, yes, because he comes within the definition of veteran, and may well personally be more suitable.

Mr. WEICHEL: Yes. The other case I am thinking of is supposing you had two men who served in France, one with one month's service and the other with five years' service; the one with five years' service might not receive the privilege but it might be considered in his marks.

Mr. LALONDE: If he was applying for a position in the Department of National Defence or the Department of Veterans Affairs it might have some effect on his personal suitability, but not on his veterans preference.

Mr. WEICHEL: Suppose they had pretty well the same marks and he might be picked because he had the greater service?

Mr. LALONDE: It would not have any effect if they had the same marks, but it might have an effect in determining the number of the marks.

Mr. MCINTOSH: In Mr. Rogers' case, the veteran has reached the age 65, but we still do not have an answer to the question.

The VICE-CHAIRMAN: I think the answer was that you would have to consult with the people who know.

Mr. LALONDE: The trouble is we cannot give you an answer to the first premise. I do not know whether or not the man is entitled to a return of a contribution or an annuity or pension.

Mr. MCINTOSH: I believe it is in the records, but I do not know in which copy.

Mr. ROGERS: It is not in the records at all.

Mr. LALONDE: I think the chairman of the war veterans allowance board replied to Mr. Rogers asking him to send him particulars. He was not thinking in terms of whether the man could get a contribution but rather if this veteran receives $1,000 would he still be eligible for war veterans allowance, and he replied, yes.

Mr. ROGERS: My impression of the discussion was different from what you say.

Mr. LALONDE: It has not been printed yet, so it is a little bit difficult to know who is wrong and who is right.

Mr. BROOME: I wish to make one comment on the question of veterans preference. I consider that in many ways it is unjust. I refer particularly to men who were in the commonwealth air training scheme, air force personnel, who apply for jobs with the Department of Transport. I know of several cases where the man served, because he had to, in Canada. His qualifications are far above those of certain other candidates, but because of the veterans preference he goes in a second category and he has no hope of ever making the grade. There are, and rightfully so, considerations given to veterans with overseas service. The war veterans allowance is one.

However in this field of establishing yourself in civilian life, in respect of obtaining jobs, I think that there have been injustices done to volunteers who have given good service and served where they were told to serve and are now being discriminated against because of these regulations.

Mr. LALONDE: This is a matter of policy. I could not hazard an opinion.

Mr. BROOME: I just wanted to get that on the record.

Mr. LALONDE: Perhaps for the benefit of the members of the committee who were not here at the time—I know Mr. Herridge was—I may say I have been asking myself the same question why was this done that way at that time.

Mr. BROOME: Immediately after the war there might have been a reason with the flood of people, but I am speaking of present-day conditions.

Mr. LALONDE: The background is reported in Mr. Walter Woods' book. He was the deputy minister in 1944-1945. This is what he says:

> While this application of the preference has been generally accepted by veterans as a whole as well as by the people of Canada, a number of suggestions have been made as to modifications or extensions of the present policy. One such suggestion has been that the preference should be extended to all persons who volunteered for service in the armed forces, irrespective of their field of service.
>
> This proposal was placed before the special committee of parliament on veterans affairs (1945) but the concensus of opinion seems to have been that the desire of parliament and of the country was to express some measure of appreciation and gratitude to those men and women who actually risked their lives in the defence of their country and particularly to those who incurred disability in so doing. With this background in mind it was felt that an extension of the preference which would have the effect of increasing the competition which such "risk" and "combat" veterans would have to meet would not be desirable. It would constitute a dilution of the benefit provided to those to whom the country owed the most.
>
> Likewise it was felt that a secondary preference to members of the force who had served only in Canada, would encounter difficulties in securing public support, on account of the fact that it would virtually exclude from employment in the public service a large number of other workers, many of whom had applied for enlistment and had been rejected on medical grounds; those who were engaged in munition work; those who because of the importance of their work were frozen in their jobs by selective service, and so forth.

Mr. BEECH: When the blind people were before us there was some discussion about Captain Woodcock having received a letter about a certain pensioner. I think it was referred back to Mr. Mutch.

The VICE-CHAIRMAN: Was that not arranged between Mr. Mutch and Mr. Woodcock?

Mr. BEECH: I believe Mr. Woodcock thought the record would look bad and would indicate he was neglectful. Apparently it was the wrong letter which was being discussed.

The VICE-CHAIRMAN: I do not think we can do anything about that, Mr. Beech, unless you want to look that up and take it up with Mr. Mutch.

Mr. BEECH: I do not know whether anything has been said.

Mr. LALONDE: That could be brought up on Monday.

Mr. HERRIDGE: Could not Mr. Beech do that on Monday by correcting the record, the same as the deputy minister did?

Mr. O'LEARY: May I ask one simple question, Mr. Chairman? Perhaps it has been answered already. Does the percentage of pensionable disability affect the degree of preference?

Mr. LALONDE: No, sir.

Mr. STEWART: Only as far as it affects his suitability?

Mr. LALONDE: Yes, but not the veterans preference.

Mr. MACDONALD (*Kings*): Mr. Chairman, may we take up further questions on veterans preference at the next meeting? Many of us had questions which were not asked due to the time.

The VICE-CHAIRMAN: We are leaving item 1 open, if there is some question that comes up at the end.

Mr. LALONDE: There is a resolution in the Legion brief which gave rise to this discussion. It says, "No change be made in the present veterans preference". So it will be discussed on Monday.

The VICE-CHAIRMAN: On Monday we will finish that. Thank you, gentlemen. We will meet again next Monday at 3.30 p.m.

The committee adjourned.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 11

Estimates 1959-60 of the Department of Veterans Affairs

MONDAY, APRIL 20, 1959

RECEIVED
APR 29 1959

WITNESSES:

Mr. Herbert R. Magill, Secretary-Treasurer; Captain Thomas Kendall, Corps of Canadian (Overseas) Fire Fighters; Mr. Lucien Lalonde, Deputy Minister of Veterans Affairs; Mr. G. H. Parliament, Director-General, Veterans Welfare Services; Mr. D. M. Thompson, Director, Service Bureau, Canadian Legion.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

20995-7—1

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.,

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

Badanai	Herridge	Peters
Batten	Jung	Pugh
Beech	Kennedy	Roberge
Benidickson	Lennard	Robinson
Broome	Macdonald (*Kings*)	Rogers
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

House of Commons, Room 112-N.
MONDAY, April 20, 1959.

The Standing Committee on Veterans Affairs met at 3:30 o'clock p.m. The Vice-Chairman, Mr. Gage W. Montgomery, presided.

Members present: Messrs. Badanai, Benidickson, Broome, Carter, Clancy, Fane, Forgie, Herridge, Jung, Kennedy, Lennard, Macdonald (*Kings*), MacRae, Matthews, McIntosh, McWilliam, Montgomery, O'Leary, Peters, Robinson, Rogers, Speakman, Stearns, Stewart.

In attendance: From the Department of Veterans Affairs: Honourable A. J. Brooks, Minister of Veterans Affairs; Mr. Lucien Lalonde, Deputy Minister; Mr. F. T. Mace, Assistant Deputy Minister; Mr. G. H. Parliament, Director General, Veterans Welfare Services; Mr. C. F. Black, Secretary of the Department; Mr. J. G. Bowland, Research Adviser.

From the Canadian Pension Commission: Mr. T. D. Anderson, Chairman.

From the Canadian Legion: Mr. D. M. Thompson, Director, Service Bureau; Mr. M. MacFarlane, Mr. Bert Hanmer, Service Officers.

From the Corps of Canadian (Overseas) Fire Fighters: Mr. Herbert R. Magill, Secretary-Treasurer; Captain Thomas Kendall, Executive Officer; Mr. Martin S. Hurst, Deputy Fire Marshal of Ontario; Chief Maynard Dolman, M.B.E., Ottawa Fire Department; Lieutenant Commander W. J. Simpkin, R.C.N.; Mr. E. Robinson and Mr. E. Hache, representatives of the Ontario Federation of Fire Fighters; Chief L. MacRostie, Trustee, International Association of Fire Fighters.

At the opening of the proceedings Mr. Parliament asked to make a correction in the statement appearing on page 66 of the record dealing with Canteen Funds.

The Vice-Chairman then invited the Minister to address the Committee and welcome the delegation from the Corps of Canadian (Overseas) Fire Fighters. Mr. Brooks spoke briefly and greeted the members of the delegation.

Mr. Herbert R. Magill, Secretary-Treasurer, Corps of Canadian (Overseas) Fire Fighters, was called. He explained that the President, Mr. Richard Hake was unable to attend due to illness. Mr. Magill was accompanied by Captain Thomas Kendall, Past President of Branch No. 377.

Mr. Magill introduced the members of the delegation and he proceeded to read the brief addressed to the Committee. Mr. Kendall followed Mr. Magill on the stand.

At the conclusion of the presentation of the brief, questions were directed to Mr. Magill and Captain Kendall.

Following the discussion of the brief, the Chairman read telegrams and letters from the following, which were addressed to Mr. Walter Dinsdale, Chairman of the Committee:

Wire from the Toronto Fire Fighters War Veterans Association.

20995-7—1½

Wire from the Canadian Council War Veterans Association.

Letter from The Provincial Federation of Ontario Professional Fire Fighters.

Letter from the International Association of Fire Fighters.

The committee then resumed and concluded consideration of the brief presented by the Canadian Legion. Mr. D. M. Thompson was called and questioned.

Mr. Lucien Lalonde answered some specific questions.

At 5:40 o'clock p.m. the Committee adjourned to the call of the Chair.

Antoine Chassé,
Clerk of the Committee.

EVIDENCE

MONDAY, April 20, 1959.

The VICE-CHAIRMAN (*Mr. Montgomery*): Gentlemen, we will come to order. We now have a quorum.

The first item on the agenda today is a short statement by Mr. Parliament who wishes to make a correction.

Mr. G. H. PARLIAMENT (*Director-General, Veterans Welfare Services, Department of Veterans Affairs*): Mr. Chairman, on page 66 of the record, when we were talking about canteen funds, I am reported in part as follows:

> Ontario has a fairly large amount for World War I. It happens to be over $500,000.00.

This figure was given from memory and was based on reports which were not up to date. In fairness to the Ontario canteen fund, who are doing an extremely fine job on behalf of World War I veterans, I would like to place on record the proper figure as of March 31, 1959. The amount in the fund is around $400,000.

The VICE-CHAIRMAN: Thank you Mr. Parliament. Gentlemen, we have with us today the Corps of Canadian (Overseas) Fire Fighters. We also have the minister with us. I am going to call upon the minister and ask him if he would be good enough to welcome these gentlemen, and then we will hear from Mr. Magill, who will introduce the gentlemen who are here with him.

Hon. A. J. BROOKS (*Minister of Veterans Affairs*): Mr. Chairman and gentlemen, it is a pleasure for me to welcome the corps of firefighters. I might say they are no strangers to me. I see some here whom I have met in days gone by when they presented their case to the committee.

It is now a good many years since the war ended. In fact if I remember correctly it is seventeen years since this corps was organized in March, 1942, and it is fourteen years since the war ended.

This group has been before our committee on quite a number of occasions. I am quite familiar with your problems and your requests; they are somewhat different from the other requests which we have heard at different times from other organizations, perhaps with the exception of the merchant seamen and the ferry command. You have always been quite reasonable in your requests and I think they have received careful study from the committees before whom you have presented them.

I want to assure you, gentlemen, we are very pleased indeed to have you back again with us today. I know your brief will be listened to and given careful consideration by the members of this committee.

As I said, I am pleased to see some of my old friends here. I am sorry Mr. Hake, who came here on several occasions, is not here today. I understand his health is not good. I wish you, Mr. Magill, would convey to him our very best wishes.

The VICE-CHAIRMAN: Gentlemen I will now introduce to you Mr. Herbert Magill, who is going to present his brief. He will either read it or comment on it, whichever he wishes. I would ask him to introduce the comrades with him today.

Mr. McINTOSH: I notice in paragraph 8 of the submission it says:

> The veterans affairs committee at Ottawa three times voted to grant the Corps of Canadian Fire Fighters all benefits accruing to the armed forces.

If that has been done three times previously is there anything more the committee can do? Also I would ask the minister why it was not granted.

Mr. BROOKS: Mr. Chairman, I think there should be a study made of this brief. I am asked why the request was not formerly granted. It was not granted because parliament did not decide to grant it. That is the reason. I think, without going into the particulars of the present brief now, you had better consider the whole brief and not pick out few of the lines of it and ask for a decision on the whole brief.

Mr. McINTOSH: I wonder if we have any more power than the previous committee?

Mr. BROOKS: It is your privilege to study the brief as presented before you.

Mr. HERBERT R. MAGILL (*Secretary Treasurer, Corps of Canadian (Overseas) Fire-fighters*): Mr. Chairman, honourable Mr. Brooks and gentlemen, on behalf of the members of the Corps of Canadian (Overseas) Fire-fighters, I welcome this opportunity to thank you for allowing us to appear before this committee for the third time.

Our president, Mr. Richard Hake, who was second in command of our corps overseas, and a World War II veteran, regretfully is unable to attend, due to illness. However, we have with us Captain Thomas Kendall, past president of Legion Branch No. 377, to help us present our submission.

We also have with us Mr. Martin S. Hurst, deputy fire marshal of Ontario, Chief Maynard Dolman, MBE., Chief, Ottawa Fire Department, and Lieutenant Commander W. J. Simpkin, R.C.N. These gentlemen were all corps overseas officers.

Also appearing with us are Mr. Edward Robinson and Mr. Ernest Hache, Vice-Presidents of the Provincial Federation of Professional Fire Fighters of Ontario. Mr. Lorne McRostie, trustee, International Association of Fire Fighters and last, but not least, Mr. Donald Thompson, director, Dominion Canadian Service Bureau, Canadian Legion and Mr. MacFarlane and Mr. Hammer, service officers of the dominion command of the Legion.

Before I present our brief, we have a little booklet here which we were pleased to receive. Our wives received this in the mail thinking we were fully covered, but in reading it over we found that we were not entitled to all benefits. We do not know why we received it if we were not intended to receive all the benefits.

The VICE-CHAIRMAN: Would you mention the name of the booklet.

Mr. MAGILL: It is "Back to Civil Life", which was distributed by the late honourable Mr. Mackenzie, listing the pensions accruing to the armed forces.

Before we deal with our submission, there is another matter which we must again put before this committee, namely, the granting of the award of the Canadian Volunteer Service Medal. This committee especially recommended that we receive this award the last time we came before you, but the government of that time did not see fit to grant us this honour.

As we were preparing to leave England to return to Canada in 1945, many of us were handed the Canadian Volunteer Service Medal ribbon to wear on our uniforms by quartermaster at the NEDT depot. When we got home we were advised that due to a slip-up we were not entitled to wear it, but that in no time at all it would be rectified.

Several of our members have run into grief by not being allowed to wear this medal. One Ottawa man, George Lefebvre, was unable to hold a job here in Ottawa due to his not having this award. He moved to the Toronto area and is now working steadily.

Another gentleman, a man who I believe lied about his age to enlist with us, was hired as a plant fireman. One night, on a street car with his wife, while returning from work in uniform, he was accosted by a young soldier who criticized our member for only wearing the defence ribbon and war medal ribbon. This man was so embarrassed he got off the street car. I know you fellows do not want us to be continually embarrassed like that.

Another case was when one of our boys, a man fully trained as a firefighter, lost out for a position as a firefighter to a person who was an auxiliary supervisor, and hence was eligible for this award.

Many of our members would like to be in this militia. They are wanted there as firefighters; but as they are not eligible for this award they are not joining. Professional firefighters spend half of their time in uniform. We parade in the warriors day parade. It is most embarrassing not to be allowed this medal.

The late Chief Huff, OBE., MM, the man responsible for the good work of the corps overseas, a man who was asked to leave the R.C.A.F. as a lieutenant, wore this ribbon with maple leaf until he found out he was not eligible. He never until his dying day forgave the government for their error. He always thought that justice would triumph and we would receive the award of the Canadian Volunteer Service medal. We sincerely pray that you gentlemen in all fairness will again see your way clear to recommend to the government that we receive this award.

I would now like to present a few reasons for being made eligible to receive all benefits accruing to the armed forces as recommended twice by the veterans affairs committee, after which Captain Kendall will present our brief. We will then be very pleased to attempt to answer any and all queries to the best of our ability.

Our terms of engagement, rates of pay, discipline and attestment oath were the same as the armed forces. We volunteered the second time to accompany the armed forces anywhere and for as long as desired. We could not resign.

There have been statements made to the effect that we did not volunteer for service anywhere but in Britain. However there is an order in council which came out giving us permission to volunteer for any battlefront anywhere in the world. It is order in council 4186, dated June, 1944. However, only 100 men were chosen and it was with great reluctance even they were disbanded in time as they were not fully needed.

Our risks were very high, due to our work coming during enemy action when we were compelled to remain in the open. Even the forces were told to take cover if at all possible. When we enlisted, more English firemen than soldiers had been killed by enemy action. Fortunately, we had only three members killed but many were injured. If we had joined the other forces, we would in all probability have been used as firemen and remained in Canada with as high or higher rates of pay.

During the loading of munition ships for the second front, we were used as firemen on board these ships. The risk was so high that the civilians who were loading them demanded and received high-risk bonus money.

It cost the American army $20,000 to train each fireman for their forces. Our professional firemen in the corps trained the others and received only their army rates of pay. One month after enlisting, we were on duty in England, at the ports from which the invasion started.

Major General LaFleche made statements (affidavits on file at Ottawa) to the effect that we would receive any benefits which might accrue to the armed forces. Members of all political parties have told us that they heard these remarks the evening we put on a demonstration at parliament hill just before we left for England. General LaFleche made these statements on various occasions—the last time he was the Minister of National War Services and it was to the last group who were going overseas. Some members of parliament say that he had no right to make these statements. If we cannot believe a member of the government of Canada, whom can we believe?

Certain opposition to our requests say that no civilian group can hope to obtain all benefits. By order in council, PC 3228, of May 1945, the auxiliary supervisors are classed as civilians in the same category as the Corps of Canadian Fire Fighters are in PC 3229 same date. Why then have these men, men who did a good job at officer's rates of pay, better privileges, being treated as honorary officers, less risk and could resign if they desired, now receiving all the benefits with the exception of total income tax exemption? (They paid tax on 80 per cent of their earning, I believe). I believe these gentlemen got 80 per cent of their salary in this case, but I am not certain about it.

The auxiliary supervisors, even though civilians, are wearing the ribbon of the Canadian volunteer service medal. When we ask why we cannot wear it, we are told that no civilians can become eligible. This does not add up. It is decidedly unfair.

The government graciously changed the regulations pertaining to the award of the Memorial Cross to cover the dependents of the personnel who were killed on active service in our corps. We are requesting the regulations pertaining to the Canadian volunteer service medal be changed so that we can become eligible for this award the same as the civilian auxiliary supervisors.

We have appeared before the Canadian Legion, the Canadian corps, the blind, the paraplegics, the labour groups, the women's liberal associations and many other organizations. All these worthy groups have supported our just requests along with the Veterans Affairs Committee, who have three times recommended that we receive all benefits. Now, if Mr. Kendall would read the brief, then if there are any questions after that, we would be only too pleased to answer them.

The VICE-CHAIRMAN: Now, Mr. Kendall.

Mr. THOMAS H. KENDALL (*Member of the executive, the Corps of Canadian (Overseas)Fire Fighters*): Mr. Chairman, Mr. Minister and members of the Veterans Affairs Committee; as an elected representative of the Corps of Canadian (Overseas) Fire Fighters for the whole of Canada, I have great pleasure in presenting this brief to you for your consideration. Incidentally this is the same brief as was presented to you some time ago, with the exception of the front page which has been added comparatively decently. I mean by that, that we have had from the Department of Veterans Affairs, dated March 17, a document containing what we have in our corps at the present time been granted by the government.

I shall read the appendix now as our brief.

THE CORPS OF CANADIAN (OVERSEAS) FIRE FIGHTERS

When the dominion government published the acts granting war gratuities, rehabilitation grants, post-war credits, and all the legislation covering armed forces rehabilitation, members of the Canadian Corps of Fire Fighters in Great Britain took it for granted that they too would be included in all such benefits. Very soon, however, it was learned that we had been completely over-looked, and absolutely nothing had been planned for our future. It was with extreme

disappointment, and grave concern, that the firefighters received the news that we had been completely ignored; and we felt that we had every right to feel such bitter disappointment.

Had we not every right to expect such treatment and benefits in post war days as men of the other services? Certainly we expressed our willingness to accept such treatment for the duration of the war when we volunteered, first: to go to the United Kingdom and aid in the defence of Britain, and secondly: in the spring of 1944, to go anywhere on any battlefield to assist the liberation armies. We volunteered to do a job as necessary and as hazardous as any service. There never could have been an offensive without a defensive. The Canadian Corps of Fire Fighters were a part of that defence, in the cities considered the most important in Britain to defend, for it was from there our offensive began.

In volunteering to do the job we were best equipped for, men from Canadian fire departments answered the call of the dominion government, and accepted the dominion government's terms without question, just as volunteers in any other service. We offered our lives if necessary, our limbs and our health. Our term of duty was for the war's duration or as long as required, just as the armed forces. We accepted comparable ranks and pay; the same allowances for our wives and families; we received the same treatment insofar as medical examinations, medical care, pensions, discipline, clothing, feeding, travel, respect, right down to the smaller items such as carrying Canadian army cards photographed and finger-printed by the Canadian army, and receiving similar discharge certificates on discharge.

Throughout our service, we accepted all the bitterness of war, along with the other services; in peace time we were to be completely ignored and denied the benefits received by those other services.

Why had we been denied such rights and privileges?

Why had we been overlooked or ignored?

These were the questions we all asked, asked of every individual who might have had an answer. But there were no real answers. Everyone agreed that we should receive all the good, as willingly as we had accepted the bad.

The dominion government's denial of fairness and justice to the firefighters, not only evoked bitter disappointment in us, but also the firmness of mind to work and to fight, until our post war lot is on a completely equal footing with that of the armed forces; until we too receive the recognition we honestly believe we earned when we left our homes, our wives and families, our jobs, and the safety of peace and plenty in Canada, and accepted the heartaches, the loneliness and all the hazards and bitterness of war.

With that determination of purpose for justice and fairness, the members of the Canadian Corps of Fire Fighters began to organize in Great Britain. The Canadian Legion were contacted and immediately went to work for us. Our corps headquarters in London did likewise, and we formed our own Committee and collected contributions from our members to assist. But at that time all our own efforts had to be confined to enquiries.

Our first attempts at gaining satisfaction were made in Ottawa by a firefighter returned to Canada on medical grounds. He had the sanction of the firefighters overseas to represent us in attempting to gather all the information possible for our enlightenment. No concrete satisfaction was gained, but various opinions were all in our favour.

After the first suggestion by the dominion government that the corps be repatriated, Britain's home office requested we be retained for further eventualities, and clearly indicated the high regard which they had for the efficiency and competence of the Canadians.

In October, 1944 it was finally decided to return personnel to Canada for discharge. When these drafts of men began arriving in Ottawa early in

1945, various and numerous enquiries were made; but it was intimated by our headquarters in Ottawa that our rehabilitation program was being taken care of, and that the prospects of satisfaction seemed excellent. There was still no concrete information available.

On arrival of corps members in our various home towns—discharged—we were free to contact members of parliament and any person or persons who may be able to assist or advise us in our fight. And although it was felt, and still is, that the necessity to fight for justice to corps members was contrary to our sense of fairness, fight we must, to gain the recognition we have earned.

Isolated efforts were made in various cities across Canada. The information and advice obtained was passed from individual to individual until a co-ordinated program and committee were set up. Many Legion branches and provincial Canadian Legion conventions and other concerned organizations across Canada, passed resolutions requesting the dominion government to recognize the Canadian Corps of Fire Fighters just as they did the other services. Public opinion has been strongly with us; but we have not made it a public issue as yet.

Information garnered from members of parliament, and ministers, during and just after the final session of the recent government, led ex-members of the corps to believe that we were to be treated on practically the same basis as the other forces. It was, therefore, with further extreme disappointment that we received order in council P.C. 3229. P.C. 3229 does not grant the firefighters nearly the rehabilitation terms of the other forces.

Mr. BENIDICKSON: If you please, Mr. Chairman, may I ask what is the date of that order in council?

Mr. KENDALL: I believe it was May, 1945. This, added to the fact that members have not been issued with discharge buttons, or authorized to wear any ribbons, or any evidence of service, added weight to the need of our determination to carry on our fight.

An especially designed discharge button for the firefighters was later received by ex-members of the corps in July, 1945, in some cases six months after discharge. This, however, does not give us complete recognition or satisfaction, although it is a step in that direction.

We are convinced that our service merited Canada's complete satisfaction in her firefighters. In attempting to do more than was first asked of us, and to do as complete a job as possible for Canada's war effort, we further offered our services anywhere in the world, on any battle front. One hundred men spent four and a half months taking specialized training to go to the continent with the invasion forces. We were attached to the British 21st army, with their army personnel as liaison officers. We expected to cross the channel daily, but our chance never came, and it was with keen disappointment and regret that our overseas contingent was finally disbanded before we could go farther and do more.

Could we have done more or tried harder to complete all the service possible for Canada in her fight for freedom? Why, therefore, should we not expect Canada's treatment of us to be just as complete? Why should Canada deny us the rights and privileges they have offered other services?

It has been suggested that possibly the word "civilian" in our title has been responsible for the half measures adopted in our post war recognition and rehabilitation. The word "civilian" was detested by all ranks, but we weren't concerned over a name; our job was deemed far more important than any word. The word "civilian" did not reduce our term of service, or sense of duty. It did not increase our pay or eliminate German bombings, or machine gun straffing, or any of the discipline, the bitterness, or the hazards of war. Now it seems just a handy word to use to deny us our post war benefits.

It has also been suggested that the firefighter does not need total rehabilitation benefits as he never has been completely separated from his occupation. There were thousands of men in all services in Canada and abroad, who likewise continued at their trades and professions. This has added to the competence of all services. It enabled the Canadian government to send an efficient body of firefighters to England without months of delay spent in training.

Even though ours was a small corps, it was necessary to maintain a headquarters staff in Canada. The men chosen for this job were forced to remain at their desks—against their own will, I might add. Now it appears that they have been left out of all benefits, with the exception of discharge badges. This, to our democratic mind, is decidedly unfair.

We have been led to believe that one of the reasons that we have been left out of so many benefits is that our corps consisted of all professional firemen. This is indeed a fallacy. We would not be far out in venturing a guess that at least 35 per cent do not come under said class. It is true that some of these members have been readily absorbed in Canadian fire departments, but their positions are rather doubtful as many municipalities have passed laws saying that only veterans may hold civil positions permanently, and as yet we are not classed as veterans. Is it any wonder these members feel rather bitter? A small number of our members were students who spent their leisure time taking legion courses in the hope that if they worked hard they would benefit by the splendid benefits of the rehabilitation plan for vocational training. They have since learned that such is not the case.

Another reason for our exclusion, we have been told, is that we did not carry arms. We are of the opinion that our hose, branches and equipment should be classed as "arms". True, they would not kill the enemy but they were successful in "killing" his efforts to burn the British isles. It once appeared in the Canadian papers that we might be issued with Bren guns for our trucks—I believe this was after some of our boys had been straffed by a German plane. Our members were eager for the day when this might happen but nothing came of it, and we were disappointed. Surely no one would deny that incendiaries and flamethrowers are valuable weapons of modern war? Then why should they say the firefighter, with his equipment, is not "armed"?

Although we were not separated from our profession, we were completely separated from our homes, our families, and our country, doing our job at the request of the British government to our Government. Can it be possible anyone could suggest that we do not need, or have not earned, the same respect and benefits the dominion government have granted other volunteers, and other personnel who have seen active service in her forces?

Because of our completed job, because of our services and our sacrifices for Canada, we, the ex-members of the Canadian Corps of Fire Fighters, are requesting that the dominion government inaugurate legislation granting us recognition as the fourth branch of the services—the term used by such officials as General LaFleche and the Right Hon. Vincent Massey in reference to us—complete with all rights and privileges, now, and in future legislation, concerning Canada's war veterans.

That, gentlemen, is the termination of the brief and I would like, for your edification, to read out a list received from Mr. Black, departmental secretary, Department of Veterans Affairs, dated March 17, 1959. This is a list of the rights and privileges granted to the overseas firefighters.

No. 1. Pension for disability or death on the same basis as veterans, including the insurance principle, and the Civilian War Pensions and Allowances Act.

No. 2. Treatment when necessary is provided for pensionable disability as authorized in 1, including treatment allowances.

No. 3. A clothing allowance on discharge, as for veterans.

No. 4. A rehabilitation—

Mr. BENIDICKSON: Would you speak a little more slowly, please?

Mr. KENDALL:

No. 2. Treatment when necessary is provided for pensionable disability as authorized in 1, including treatment allowances.

No. 3. A clothing allowance on discharge, as for veterans.

No. 4. A rehabilitation grant of one month's pay and allowances, as for veterans.

No. 5. A gratuity of $15 for every thirty days of overseas service.

No. 6. Vocational or technical training as provided under the Veterans Rehabilitation Act, with allowances as for veterans.

No. 7. Eligibility to contract for veterans insurance.

I believe that is a comparatively new one, gentlemen.

No. 8. If a pensioner, the benefits provided by the Veterans' Land Act.

This is of March 17, 1959; but on three occasions I, as a pensioner, have appealed to 21 Lombard street for this particular grant, and they told me I was not eligible. But here we have it from the Department of Veterans Affairs that we are. I shall immediately, upon going back to Toronto, again endeavour to try 21 Lombard street.

Mr. BROOKS: There is no question about that. That is some clerk's mistake.

Mr. KENDALL: Thank you.

No. 9. Benefits under the Reinstatement in Civil Employment Act.

No. 10. Benefits under the Unemployment Assistance Act, as for veterans.

No. 11. Income tax exemption in respect of total overseas service pay and allowances.

No. 12. Eligibility for the Defence Medal, if sufficient qualifying service.

No. 13. Eligibility for the War Medal 1939-45, if sufficient qualifying service.

I would like to thank you, Mr. Chairman and gentlemen, for hearing us, and we trust that when our brief comes before you for deliberation you will think kindly of our service to Canada. Thank you, gentlemen.

The VICE-CHAIRMAN: Thank you, Mr. Magill and Mr. Kendall. Gentlemen, are there any questions you would like to ask?

Mr. HERRIDGE: Mr. Chairman, I would like to ask the witness to just outline in brief the particular benefits not received at the present time, and that they wish to obtain. I think that would clear things up in the minds of the members of the committee.

Mr. MAGILL: We wish to obtain all benefits. Even though we cannot use them, we would like to have them, to be classed as equal with the other armed forces.

Mr. BENIDICKSON: Under present legislation?

Mr. MAGILL: Yes.

Mr. BENIDICKSON: Would that be predicated upon an amendment to the Act which establishes the eligibility for the War Services Medal, the volunteer medal?

Mr. MAGILL: I do not know if I can answer that, sir.

Mr. HERRIDGE: Could the witness give us a list of the particular benefits?

Mr. MAGILL: We figure that if we are made the same as the armed services, that medal would be included. I think that is the answer you want, sir.

Mr. LENNARD: As far as this medal is concerned, the main point as brought out here is that the auxiliary supervisors were granted this medal, and they were civilians; the Canadian Overseas Fire Fighters were not, and they are in the same category.

Mr. MAGILL: That is right.

Mr. LENNARD: That is the argument in a nut-shell?

Mr. MAGILL: Yes, it is.

Mr. LENNARD: As far as that particular item is concerned, I certainly think they should be treated just the same as the auxiliary supervisors.

Mr. BENIDICKSON: Has Mr. Magill finished his answer to Mr. Herridge? I think that is very pertinent.

Mr. MAGILL: The gentleman here spoke about the pensioners insurance act. There is a fallacy here. We had that normally from the start. I took it out in 1946 or so myself. We have had the Veterans Insurance Act.

It has got around that we have one thing, and we have not got it. That is in regard to these allowances including dependent allowance and subsistance allowance for standard rates of pay for every six months service overseas. That is part 3 of the War Service Grants Act. I believe the story got out that we were entitled to have that, but we never received it. We are not entitled to it.

Secondly, reestablishment credit, which is the equal of the sum of numbers 1 and 2 of the gratuities, which may be used for certain benefits. I do not believe we are entitled to out-of-work benefits. We are not entitled to "temporarily incapacitated". Farmers and others awaiting returns—we are not entitled to that benefit. We have—

Mr. CARTER: These benefits do not exist any longer, do they?

Mr. MAGILL: But they were the benefits for which he asked. I do not know how to answer that question.

Then there are educational benefits. We have some widows now—about one or two, I think—whose husbands have died in recent years, and they figure that through this Act they could be helped in putting their children through university or school. I do not know whether they could or not, whether that is in that part of the Act or not. If we got it, that might be; I do not know. Post graduate courses, preference in employment, Civil Service Act, War Veterans Allowance Act, Dependents' Board of Trustees. I do not know what some of these mean, gentlemen. You do. But these are things we are not entitled to that the other forces got.

Also the land act, which we did not get, although we are pensionable. This other gentleman did not get it; but I think that was a mistake in the department and was a clerk's error, because other fellows in the corps have taken advantage of it.

Mr. HERRIDGE: Would it be correct to say that at this time we are primarily concerned with obtaining recognition in respect of the volunteer medal, the same as the other branches of the forces; secondly, being eligible for war veterans allowance; and thirdly, being eligible to apply for loans under the Veterans Land Act, and educational grants?

Mr. MAGILL: This is a rather hard question to answer. We are sent down here by the complete organization; one fellow wants one thing and another wants another thing. I do not think I am qualified to answer that.

We will take what we get, but we are here to try to get equal recognition with the armed services, which would give us all those things, if they are still eligible at the present time.

Mr. BENIDICKSON: Mr. Chairman, I wonder if it would be appropriate at this point to get the assistance of the deputy minister to pinpoint the things that are available to veterans, who receive the medal in dispute, and if he would indicate the things that are denied to the corps of Canadian Firefighters. Secondly, would Mr. Lalonde perhaps indicate what things are available for the auxiliary services and other so-called civilian groups that are denied the Canadian Corps of Firefighters.

Mr. KENDALL: May I say something, Mr. Chairman?

The VICE-CHAIRMAN: Yes.

Mr. KENDALL: In regard to all these things that we can have, I would like to point out to the gentlemen that many of them by their years have outlived their usefulness. Actually I think the cost for some of these things at the present time, after 17 years, as determined by the minister, would be such that they have outlived their usefulness. Actually their cost would be insignificant.

Mr. SPEAKMAN: Mr. Chairman, actually I believe what the Canadian Corps of Overseas Firefighters are asking for is the status of veterans. That is, in its simplicity, what they are asking for—to be recognized as veterans within the full meaning of the word.

Mr. HERRIDGE: Have you any figures as to the total number of men who would be eligible at the present time?

Mr. MAGILL: No; that would be most difficult. There were 335 came home with us when we left England, and my records show possibly 20 or 25 of those have died. It would be very hard. I do not think anybody could really give those figures.

Mr. HERRIDGE: It would be something less than 300?

Mr. MAGILL: Oh, yes, it would be less than 300.

Mr. ROGERS: Mr. Chairman, what was the original complement?

Mr. MAGILL: There were 422 men enlisted in the corps. There were 408 went overseas. There were 3 killed overseas, 11 wounded and many others seriously wounded.

Mr. BENIDICKSON: How many did not get overseas at all?

Mr. MAGILL: That is a rather debatable point. I wish you had not asked that question, because I am not sure of the answer. But I would say there were three who did not get overseas. There was one gentleman who tried very hard. He did everything to get there, but he did not make it. There were three, according to my senior officer here.

Mr. FANE: Mr. Chairman, was there any good reason why these people were not considered in the same light as volunteer soldiers?

The VICE-CHAIRMAN: I presume you are directing your question to me, Mr. Fane. I do not know, but there is somebody here who can probably answer that question. Could you answer that question, Colonel Lalonde? Would you repeat your question, Mr. Fane.

Mr. FANE: I was just asking, Mr. Chairman, why these people when they enlisted were not considered in the same light as volunteers for any other service?

Mr. LUCIEN LALONDE (*Deputy Minister, Department of Veterans Affairs*): The only reason I can give you, Mr. Fane, is the result of a study of what happened at that time. I cannot tell you why; I can tell you what happened.

Mr. FANE: Yes.

Mr. LALONDE: As you will realize, I was not there at the time.

Mr. FANE: I know.

Mr. LALONDE: I am not qualified to speak about the reasons behind policy making.

Mr. FANE: I understand.

Mr. LALONDE: The year which actually gave birth to the corps of firefighters was an order in council passed on March 3, 1942, under the War Measures Act. It created the corps of civilian Canadian firefighters for service in the United Kingdom. It was created at that time under the Minister of National War Services.

The supervisors' status was created by an order in council under the Minister of National Defence. This was P.C. 44/1555 in 1944, and it created the supervisors' group as an adjunct to the armed forces. Do you want me to recite the three-page order in council? Mr. Benidickson, you were asking me if I could give you some of the benefits.

Mr. BENIDICKSON: We are told you have sent them a recent letter outlining the things that they do receive.

Mr. LALONDE: That is right, sir.

Mr. BENIDICKSON: I wonder if you could tell the committee the things that they did not receive, in comparison with an ordinary enlisted man?

Mr. ROGERS: At the present time?

Mr. BENIDICKSON: At the present time.

Mr. LALONDE: I will have to quote from memory. Do you mean those benefits that are still available?

Mr. BENIDICKSON: I have taken from your letter that you were pretty comprehensive in pointing out the benefits receivable; you indicated all benefits.

Mr. LALONDE: Not "receivable"—the benefits were received; there is a difference.

Mr. BENIDICKSON: Yes, I see. What I mean is that it included things that would not now be applied for.

Mr. LALONDE: Yes.

Mr. BENIDICKSON: Similarly, I wonder if you could indicate the things that they were denied, shall we say?

Mr. HERRIDGE: Would it make for clarity in the record and for the information of the members of the committee if Mr. Lalonde gave us a list of all the benefits the firefighters failed to receive, compared to other veterans; and then also gave us a list of the benefits that were no longer available?

The VICE-CHAIRMAN: Would you like some time to prepare a statement, Mr. Lalonde?

Mr. LALONDE: Would you give me a few minutes to prepare that, because I would hate to relate it from memory?

Mr. BENIDICKSON: We have had reference made in the brief to three recommendations of previous parliamentary committees urging that certain benefits be granted to the corps of firefighters. I readily recall the report of the committee in 1946 and in 1948; what was the third?

Mr. MAGILL: In 1948 we were advised to come down again, and you voted twice in that year. That is why some of that was struck out.

Mr. BENIDICKSON: It came up twice?

Mr. MAGILL: You voted twice in 1948.

Mr. MCINTOSH: Were the rates of pay to the corps the same as for other services?

Mr. KENDALL: They were comparative to other services.

Mr. MCINTOSH: How many in the corps were injured and are now receiving pensions?

Mr. MAGILL: I would say twenty-five.

Mr. MCINTOSH: And is there an equivalent to the corps of firefighters in any other armed services of the allies?

Mr. MAGILL: I do not believe so.

Mr. MCINTOSH: In Great Britain?

Mr. MAGILL: I do not believe so. The original intention was to form a corps possibly of 2,000 firefighters. They claimed it was depriving the fire departments of their best men, and that is why it dropped off.

Mr. FORGIE: Where did the request come from?

Mr. MAGILL: We are led to believe the Honourable Ian Mackenzie was visiting England and was requested by the British government; he brought the request back here to the Canadian government.

Mr. MACRAE: I have one or two questions. What month and year was the corps actually recruited?

Mr. MAGILL: The order in council came out in March, 1942 and recruiting started immediately after that. There is a letter here explaining part of it. They had a little trouble getting the men to run the corps, and it took them some time to get a suitable fully trained officer. There is a letter here from the late Chief Huff, who was the chief of the Brantford fire department and who claimed more or less that he was forced to get his release from the air force after talking to General LaFleche. He did not wish to do it, but General LaFleche informed him that the Canadian firefighters were more urgently needed in England at that time than anything else, and if he did not take charge the corps would not be formed and he would be to blame.

Mr. MACRAE: Then would you say it was from March to July, 1942?

Mr. MAGILL: I would say March to August, 1942. We were overseas one month after we were in Ottawa.

Mr. MACRAE: What month and year did the corps actually go overseas?

Mr. MAGILL: June 13.

Mr. MACRAE: What year?

Mr. MAGILL: 1942.

Mr. MACRAE: And it returned when?

Mr. MAGILL: It started to return in February, 1945.

Mr. MACRAE: You mentioned October, 1944 in your brief; some started to return at that time.

Mr. MAGILL: I was talking about my own time.

Mr. MACRAE: And they were all home by when?

Mr. M. S. HURST (*Deputy Fire Marshal, Province of Ontario*): I would say the last persons were discharged late in 1945.

Mr. MACRAE: Of course, after the end of the war, and demobilized immediately on return?

Mr. HURST: Yes.

Mr. MACDONALD (*Kings*): I would like to ask Mr. Magill if his people were all trained firemen recruited from among the firefighting groups?

Mr. MAGILL: Thirty-three per cent were drawn from professional fire departments. The idea was that we could train the rest. We also had 33 per cent or 35 per cent who were volunteer firemen, receiving anywhere from $50 or $100 a year. Then there were the men who wanted to be firemen. They

were trying to get on these brigades, the permanent brigades and figured this was an opportunity to get into the fire service, as we were unable to take all the men in the big departments. In fact, some of our chiefs did not want any of us to go. Some of the boys got quite a going over when they decided to leave.

Mr. FANE: What uniform did you wear?

Mr. MAGILL: It was much similar to the uniform the fire department wear now. I believe it was of navy blue cloth. It was much like a navy uniform.

Mr. BENIDICKSON: On this point, the members will recall that it was brought into debate in the House of Commons on March 4 by virtue of a question that I asked the minister; and I am sure he would not mind having the committee minutes bringing up to date some subsequent correspondence which the minister and I have had in the most friendly way. I was not too sure of my ground when I asked the minister about the rights of the firefighters, when we were at that time considering the amendments to the War Service Grants Act. Subsequently, I drew to the minister's attention a summary, in so far as war service grants are concerned, of what the Corps of Canadian Overseas Fire Fighters have said in recent correspondence. If I could put it on the record, I think it would summarize the position.

Mr. Magill says there are four parts to the War Service Grants Act, and they are as follows:

1. $7.50 for every 30 days service in the western hemisphere—not eligible.
2. $15 for every 30 days service overseas—eligible.
3. Seven days pay and allowances, including dependents allowances and subsistence allowance at standard rates payable in Canada, for every six months overseas—not eligible.
4. A reestablishment credit equal to the sum of No. 1 and No. 2, which may be used for certain purposes—not eligible.

I think that summarizes the analysis of the war service grants by the Canadian Corps of Fire Fighters. Subsequently, the minister was good enough to write me. May I quote briefly from his letter. He says:

> The supplementary gratuity to which I now realize the correspondence refers, was that granted under section 3(2) of the War Service Grants Act. It is true that this payment was one to which the Corps of Civilian Canadian Fire Fighters was not granted entitlement.

I think that helps to clarify the record, particularly if anyone was looking at the House of Commons debate.

Mr. BROOKS: You do not want an apology, too?

Mr. BENIDICKSON: I was just saying I was not any more sure of my position. These are very technical matters and I appreciate that the minister may have misunderstood my question.

Mr. BROOKS: I did.

Mr. BENIDICKSON: I wanted to bring the committee up to date on this particular point. I do not want to oversimplify the situation, but I am still of the opinion that a mere recognition on the part of the Department of National Defence that this corps would be entitled to their volunteer service medal would automatically correct the complaints that the corps are advancing to us today.

Mr. LENNARD: What department recognized the auxiliary supervisors?

Mr. BROOKS: The Department of National Defence.

Mr. BENIDICKSON: And they got this medal in question?

Mr. BROOKS: Yes.

Mr. BENIDICKSON: I do not want to go into any detail, but I have looked quickly at the minutes of the committee's meetings in 1946 and in 1948 and I am satisfied they did make this recommendation at that time. However, the minister and the government did not see fit to implement the recommendations completely. There were certain income tax complaints that were corrected. I do note that the minister, Mr. Brooks, was not present at the particular meeting when the corps was before the committee in 1948, but he was present in 1946. I just want to indicate to the minister that at that time he expressed very strong support—I think the whole committee did, which as I remember included Mr. Lennard and perhaps Mr. Robinson, who was a member at that time. We members were the only ones who were present at that meeting.

Mr. HERRIDGE: And Mr. H. W. Herridge.

Mr. BENIDICKSON: Yes, Mr. Herridge, of course. That was a serious omission. I just want to quote from the record. I am not going to refer to everything that was said at that time; but he said:

> I do not think there is any more proof that can be presented to this committee. We all agreed that they did excellent work, that they suffered danger just the same as soldiers, that they were away from their families and that they should be treated the same as soldiers. That is the stand that we took before, and I think that is the stand we all agreed on.

That is on page 321 and 322 of the evidence of the veterans affairs committee of 1946. I would just hope that we would have another go at this. We have a new minister, and I think that this committee probably should make this recommendation, as previous committees have done. I know the minister has a very warm heart for this kind of thing. I think if we make this kind of recommendation that he will give it his most serious consideration.

Mr. HERRIDGE: Mr. Chairman, I think it would be beneficial if we now had the answers I asked the deputy minister to give the committee. What benefits were denied and what benefits are not now in the laws?

Mr. LALONDE: Mr. Chairman, I have here a list of the benefits which were not allowed or which are not available to the Corps of Canadian Fire Fighters. The first one has just been mentioned by Mr. Benidickson. It is the supplementary gratuity equal to seven days' pay and allowances for every six months overseas service. The second one is a gratuity of $7.50 a month for service in Canada only. The third one is the re-establishment credit. The fourth is university training, which benefit has now lapsed. The fifth is the Veterans Land Act benefits for members of the corps who are not disability pensioners. The sixth is the eligibility for treatment of a non-pensionable condition under the treatment regulations. The seventh is the veterans preference for employment in the civil service. The eighth is the war veterans allowance benefits. The ninth is the benefit under the Veterans Business and Professional Loans Act, which also has lapsed.

These are the benefits under the veterans' charter that were not or are not available to the corps.

Mr. CARTER: What about education?

Mr. LALONDE: That is university training. They were eligible for vocational and technical training.

Mr. CARTER: What about their children and widows?

Mr. LALONDE: Under the Children of War Dead (Education Assistance) Act, which is reserved for pensioners, the children of members of the corps who are disability pensioners will have the same eligibility as the children of other pensioners.

Mr. SPEAKMAN: Where does this word, "civilian" come into the name of the corps? I do not see it here on their printing. Where did it appear originally?

Mr. KENDALL: I think the light has been burning since we have been discussing matters here. We were designated civilians. We have not actually ignored it; we know and everybody knows it is not, but we do not like to see it too often in print. The word itself was instituted at the time of the formation of the corps by General LaFleche who said at that particular time that if they had men from a civilian force, such as the fire departments, it would not add any additional cost in respect of training men and they would get them overseas quicker. I think that was the evolution of the word "civilian" and that is how it got in there. I think it was under the recommendation of General LaFleche at that time.

Mr. SPEAKMAN: I was stationed very close to these people during the war. This name never appeared in connection with anything I ever saw in respect of the Canadian Corps of Fire Fighters. To begin with, I think the use of the word "civilian" is unfair. They were servicemen.

Mr. CARTER: As I understand the brief and the remarks made by Mr. Magill, what they really want is to be placed on a par with other members of the armed services. I wonder if Mr. Lalonde can tell us whether or not that can be done without a change in the definition of the word "veteran" in the various acts of the veterans' charter. In how many cases would we have to change the definition to include firefighters?

Mr. BENIDICKSON: Going back to my question, if they were recipients of the medal the other benefits automatically flow under the veterans statutes.

Mr. LALONDE: The system, Mr. Carter, which has been used in the past has been to have a special act cover the members of the corps of firefighters and to give them specific benefits in that act, administered under other acts of the charter. There has never been any attempt in the firefighters act to define the members as veterans. They have just been given eligibility for benefits as firefighters which are explained, or for which the provisions appear in greater detail, in other acts.

Your question is how could we apply the provisions of the firefighters' act to define them as veterans. I am sure it would require an amendment, but I am not prepared to say whether or not you could define firefighters as veterans under the firefighters act and then apply all the other acts to them, or whether you would need to amend a number of other acts to include them in the definition of veterans under the different acts, because the definition "veteran" varies in a number of acts.

Mr. CARTER: In the War Veterans Allowance Act the veteran who is eligible is defined.

Mr. LALONDE: Yes.

Mr. CARTER: I do not see how they can get war veterans allowance unless that definition is changed to include them.

Mr. LALONDE: In that particular case I should think so because the definition "veteran" covers about three pages.

Mr. LENNARD: May I ask if the auxiliary services supervisors under our act are considered as veterans?

Mr. LALONDE: This is the way it reads:

> Every supervisor on the termination of his service as such shall be deemed to be a veteran within the meaning of the Veterans Land Act, the Veterans Insurance Act, the Veterans Rehabilitation Act,...

Mr. LENNARD: Mr. Chairman, I might say as far as these auxiliary services supervisors are concerned, they were people who enlisted from the Canadian Legion, the Y.M.C.A., the Knights of Columbus and the Salvation Army. Undoubtedly in the majority of cases they were civilians. If they have been granted certain privileges, such as the war service medal, I see no good reason at all why the Canadian firefighters should not have at least that same privilege of having the war service medal award.

Mr. BROOKS: I think it should be explained to this committee that the auxiliary services were formed under the Minister of National Defence, with the express purpose of serving with the armed forces at all times in theatres of war and wherever the armed forces were serving. We may assume that clears up this point.

At the time of attestation of the Canadian firefighters they took an oath. The form of the oath is as follows: I hereby offer to serve as a member of the civilian Canadian firefighters for service in the United Kingdom. That was the form attestation at the time. At that time I do not think they were under the Department of National Defence. They were under National War Services. There was this difference between the auxiliary services and the Canadian firefighters. There was no misrepresentation made to the firefighters, as far as I can see from the record. They understood they were being recruited as a civilian force of firefighters. I think that is very definite.

Mr. LENNARD: What position did General LaFleche hold at the time?

Mr. LALONDE: He was Associate Deputy Minister, National War Services.

Mr. MCINTOSH: Was there any attestation taken by the members of the auxiliary services?

Mr. LALONDE: The same as the armed forces.

Mr. CARTER: Could they resign at any time?

Mr. BROOKS: No; I do not think so.

Mr. LENNARD: My understanding is that the supervisors could resign.

Mr. LALONDE: This is the way the order in council reads and it is repeated for each branch of the service:

> Supervisors serving with the Royal Canadian Navy shall be deemed to be members of the Canadian naval forces for all purposes except engaging in combat with the enemy, and shall be subject to the naval law in all respects, as though they were officers holding the rank of Lieutenant and shall be entitled to the pay and allowances, pensions and all other benefits (except income tax benefits) applicable or pertaining to such rank as and from the date they embark for service outside Canada until their services are terminated by the chief of naval personnel.

That is repeated for each branch of the service.

Mr. ROGERS: There were quite a number of men in the auxiliary services who were World War I veterans.

Mr. BROOKS: Most of the Legion men were—practically all of them, as a matter of fact.

Mr. PETERS: In Newfoundland is there anything similar to the firefighters and, if so, what consideration has been given to them? In other words, they would have been attached to imperial command at that time.

Mr. BROOKS: Perhaps this would be of interest: pensions paid to the corps of firefighters and supervisors at the present time. The total number for supervisors is 585.

There were eight deaths and sixty-three disability pensioners.

Firefighters: the total number involved, 408. There are three deaths and, according to our records, thirty-four disabilities.

Mr. KENDALL: One other thing I would like to have written into the record if I may is this: that we are wholeheartedly supported by the International Association of Fire Fighters, and wholeheartedly supported by the Canadian Legion who, on this occasion, have some of their representatives present.

Mr. HERRIDGE: Your representation receives their wholehearted support.

Mr. KENDALL: That is right, and I would like this committee, since the international board is represented here, to grant them permission, or the privilege of speaking just for one moment, if it is at all possible.

Mr. FORGIE: I do not want to delay matters, but I think the minister made a statement in the 1946 minutes of this committee to which I heartily subscribe, and I support him on this statement, which reads as follows:

> I do not intend to delay the deliberations of the committee, but I think the whole point was, as to whether these men should be treated the same as soldiers who went overseas. The only objection that the government could take to their representation was as to whether they were enlisted as soldiers, whether they performed duties which were the same as soldiers, suffered dangers and so on.

Mr. BROOKS: That is the objection which the government took; it was the only objection which the government could take to their representation. It was as to whether they were enlisted as soldiers. They objected to that and said they were not enlisted as soldiers. That was the objection previously taken.

Mr. FORGIE: The committee discussed this on previous occasions, and we decided at that time that these men did practically the same work as soldiers overseas, and that they should be treated the same as soldiers were treated.

The VICE-CHAIRMAN: Gentlemen: if there are no more questions I do not think this is the place for statements. We will have to consider this brief and we will discuss it later on.

Mr. CARTER: Mr. Chairman, I have two small questions: first, were they under Canadian command or under Imperial command? And, two, did they receive Canadian rates of pay or Imperial rates of pay?

Mr. MAGILL: We received Canadian rates of pay. There are three or four of our officers sitting over there. They were Canadian officers and they were in charge of us. We were directly under their command, I would say.

Mr. HACHE: As far as the rates of pay are concerned, we were under the F.R.I., Canadian army, active, the same as the Canadian armed services. But our ranks were different. For administrative purposes we were under the department of national war service, but under our own officers. For operational purposes we were under the British national fire service, with our own officers. That is the reason the word "civilian" crept in.

The VICE-CHAIRMAN: If there are no more questions, I thank Mr. Magill and Mr. Kendall for their presentation.

Mr. HERRIDGE: Mr. Chairman, I believe one or two witnesses asked that permission be granted for the international officers to say a few words. I think they should be given the opportunity.

The VICE-CHAIRMAN: I have some correspondence which, when we are finished with the questions, I want to read into the record. If there is anyone else who wishes to be heard, we will not shut him off.

Mr. LENNARD: There is no sense in our having repetition of these things.

Mr. KENDALL: We do not want repetition. I think the chairman is quite correct in his stand. There is correspondence from the Legion and from various organizations across Canada which substantiates our stand.

The VICE-CHAIRMAN: I do not have any from the Legion.

Mr. KENDALL: I would like the men from the Legion to stand up and be counted.

The VICE-CHAIRMAN: All right.

Mr. D. M. THOMPSON (*Director, Service Bureau, Canadian Legion*): Mr. Chairman and members of the committee, the Canadian Legion is most sympathetic to the representation of the Corps of Canadian (Overseas) Fire Fighters, and it has made representations in previous years on their behalf.

The VICE-CHAIRMAN: Is there anyone else?

Mr. KENDALL: No, I think that is fine.

The VICE-CHAIRMAN: I wish to thank you for your presentation. I think I can assure you that the committee will give every consideration to the brief and to the representation.

Now, before we close this part of the meeting, I have two telegrams and two letters which I think should be read into the record.

The first one is from the Canadian Council of War Veterans Associations and is addressed to Walter Dinsdale, chairman of the committee. It reads as follows, and I quote:

April 17, 1959

Walter Dinsdale, Esq. M.P.
Chairman, Standing Committee on Veterans Affairs,
Parliament Building,
Ottawa.

The Canadian Council of War Veterans Associations representing fifteen member associations supports and urges full consideration to the requests of the Corps of Canadian (Overseas) Fire Fighters as presented to your committee on Monday April 20, 1959.

Robert A. Dow, President
Canadian Council War Veterans Association.

The second communication is a wire addressed to Mr. Dinsdale as chairman of the committee.

It reads as follows, and I quote:

April 17, 1959

Walter Dinsdale, Esq. M.P.
Chairman, Standing Committee on Veterans Affairs,
Parliament Building,
Ottawa.

The Toronto Fire Fighters War Veterans Association supports and strongly urges full consideration with regard to the brief submitted to your committee Monday, April 20, 1959 by the Corps of Canadian (Overseas) Fire Fighters.

John A. Small, Secretary
Toronto Fire Fighters War Veterans Association

The following is a letter addressed to Mr. Dinsdale, chairman of the committee and it reads as follows: it commences "dear Mr. Minister," and that is certainly a promotion for Mr. Dinsdale.

The Provincial Federation of Ontario Professional Fire Fighters

April 17, 1959

Mr. Walter Dinsdale, M.P.
Chairman, Veterans Affairs Committee,
Parliament Building,
Ottawa.

Dear Mr. Minister:

re Equal benefits for overseas fire fighters
as received by the armed forces.

The matter of members of the Canadian Overseas Fire Fighters receiving the same benefits as the armed forces has been discussed at length at several of the annual conventions of the provincial federation of Ontario professional fire fighters, since the end of World War II.

On each occasion, the delegates attending these conventions, were unanimous in the opinion that the overseas fire fighters should receive the same benefits as members of the armed forces.

The officers and members of the provincial federation of Ontario Professional Fire Fighters request your support and influence on behalf of the overseas fire fighters.

Yours very truly,

R. A. Gilbert
Secretary Treasurer

cc Hon. Colonel A. L. J. Brooks, M.P.
Minister of Veterans Affairs

The last letter is from the International Association of Fire Fighters and reads as follows:

International Association of Fire Fighters

April 13, 1959

Mr. Walter Dinsdale, M.P.,
Chairman, Veterans Affairs Committee,
House of Commons,
Ottawa.

Dear Sir,

On behalf of the Professional Fire Fighters in the province of Ontario and Manitoba, who are members of the International Association of Fire Fighters, we strongly support the requests of the Corps of Canadian (Overseas) Fire Fighters, who are also members of our organization.

It is evident they played a prominent part by their fire fighting activities, during World War II. We believe their efforts should be recognized by the government and that they are worthy of the same benefits as the armed forces.

We respectfully request your consideration of their brief.

Sincerely,
Charles R. Chambers,
Vice-President, 13th District.

Now, I think, gentlemen, that there is nothing more in connection with this, and that we will now call on the Canadian Legion to try to finish up from where we left off with their brief a week ago.

You will find in the minutes of proceedings of evidence, number seven, or in the Canadian Legion brief, if you have it, at page 212, paragraph 21, under civil service, "maintenance of preference". Perhaps Mr. Thompson should read it to us, since all the members do not have the brief or the minutes in front of them.

Mr. HERRIDGE: Take them one at a time to remind us.

The VICE-CHAIRMAN: Paragraph 21. Would Mr. Thompson just read the sections so we might discuss each one at a time?

Mr. THOMPSON:

21 Maintenance of preference.

The Federal Civil Service Act is presently under review and it is anticipated that amendments to the act may result. We believe Canada has benefited by the veterans preference in that it tends to ensure that a high percentage of civil servants will be veterans who have already demonstrated their loyalty by their willingness to make great sacrifices in defence of their country. The Canadian Legion is strongly opposed to any amendment to this act which would take away any benefit accruing to Canadian veterans.

The Canadian Legion therefore recommends—

That the existing veterans preference in employment in the civil service be maintained and applied to all government departments and crown corporations.

The VICE-CHAIRMAN: Are you in a position to discuss this today?

Mr. HERRIDGE: May I ask Mr. Thompson if, during the past year, the dominion command received any complaints, or had any complaints made to it with respect to the question of the application of the veterans preference under some circumstances?

Mr. THOMPSON: I am not quite clear as to your question, sir.

Mr. HERRIDGE: Has the dominion command received any complaints from the provincial commands, or branches, that in your opinion, the veterans preference has not been recognized in some cases.

Mr. THOMPSON: From time to time problems arise in connection with the veterans preference. Sometimes they are caused by a misunderstanding of the type of employment and what the veterans preference and the Civil Service Act specifically provide for. I cannot think offhand of any specific instance of the type you might have in mind, because these enquiries do come in from time to time. Quite often they are due to a misunderstanding of what the Civil Service Act actually provides for.

Mr. HERRIDGE: That has been my experience.

Mr. BROOME: I wonder if this might not be something which the Legion could consider: that the veterans preference should be maintained, but that for this particular application the definition should be changed so it would include volunteers who did not serve overseas. I was referring particularly to the men who were in the armed forces, such as the air commonwealth training scheme, and to men who were retained in Canada as instructors and so on. It is a point I believe which must have been brought up by various Legions.

The VICE-CHAIRMAN: It has been brought up several times and turned down.

Mr. BROOME: These men were volunteers, but it was a question of what their chief said as to where they went. Some stayed because of the variable extension in air training in Canada; they were simply chosen as men who had

volunteered for active service, but who just could not get overseas. I wonder whether the question of veterans preference is too narrow in its present definition?

Mr. THOMPSON: Mr. Chairman and Mr. Broome, the Legion has on previous occasions asked for a preference for those who served in Canada only. You will note that in this recommendation we say the Legion is strongly opposed to any amendment to this Act which would take away any benefit now accruing to Canadian veterans. We would certainly be most happy for any amendment that would provide for more than exists at present.

Mr. BROOME: Would the Legion, then, be willing to extend the same degree of veterans preference to the veteran who did not serve overseas? I am not talking about disability. We will consider that in a different category entirely. I am talking about non-pension veterans who happened to be stationed all the time in Canada, and the non-pension veterans who were overseas.

Does the Legion think there should be a differential in degree between those two categories?

Mr. THOMPSON: In answer to that question, Mr. Chairman, I can only draw on what has happened before. That is, that there have been at times in the past resolutions asking for a third preference, for those who served in Canada only.

I certainly would not be in a position to try to anticipate what the policy of the dominion convention would be on the specific questions you ask, because, after all, policy is something that is up to the membership to determine.

Mr. BROOME: That is right. But has it come up and been debated in your conventions?

Mr. THOMPSON: In previous years it has come up and, without checking the actual resolutions, my recollection is that the request was for a third preference, for those who served in Canada only. I stand to be corrected on that, because I have not the particular report with me. But I think that was the recommendation in previous years.

Mr. O'LEARY: Actually, in this resolution you are asking for the continuance of the present veterans preference.

Mr. THOMPSON: And the extension to all government departments and crown corporations.

Mr. ROGERS: Is there not a factor coming up now? Veterans have a preference in relation to penitentiary guards. I have heard there is a problem here. They need young people; they have to be under a certain age, and yet I am told the preference for veterans prevails.

There are instances such as that where it does not work very well. I mean, to be a guard you have to be a young, strong man.

The VICE-CHAIRMAN: Are we not getting beyond the scope of this recommendation, gentlemen?

Mr. ROGERS: Not at all.

The VICE-CHAIRMAN: I think I will have to confine you to the discussion of this particular section.

Mr. THOMPSON: I think the point that Colonel Rogers is raising, the specific instance, comes under the Penitentiaries Act rather than the Civil Service Act. The example is used, I suggest, to illustrate a principle. That is settled in part by the requirements of the job being filled, and sometimes problems do arise here as to whether or not age should be a factor. Problems

can and do arise, but it would seem that the requirements of the job pretty well settle that when the qualifications are listed by the Civil Service Commission, if it is a job being filled by the Civil Service Commission.

Mr. ROGERS: Not always. I want to make myself clear. I am all for the veterans preference; make no mistake about that. But I am told these problems do come up, and my question was directed to that.

Mr. CARTER: Mr. Chairman, I raised a few questions at the last session about veterans preference. I would like to ask Mr. Thompson: Are you referring to new appointments here that would come under the Civil Service Act, because in addition to the new appointments there are interdepartmental promotions, which are carried out by means of competitions inside each department. I am not sure whether veterans preference applies there or not; or to what degree, if it applies, it is actually carried out.

Mr. THOMPSON: It does not apply, because the only veterans preference that we are referring to here is under the Civil Service Act, which governs a man's entry into the Civil Service. This question of promotion within the service is something that is separate and apart, and we are not referring to that in our brief.

Mr. CARTER: That is what I want to get at. Have you taken any stand at all on this promotional competition question?

Mr. THOMPSON: No. A veteran can use his preference to get into the Civil Service. Also, if there is an open competition that is thrown open to the public, this takes it out of the field of interdepartmental competition. He then is free to apply and can use his preference again. However, as far as asking that the preference be applied in promotional competitions, I would not like to say the Legion has never asked for this, because "never" is a long time, but certainly in recent years, in my recollection, there has never been any proposal put forward by the Legion that this should apply.

Mr. HERRIDGE: Mr. Chairman, I have no recollection in all the years I have been on the committee that they asked for preference with respect to promotional examinations.

Mr. THOMPSON: I think you are right, Mr. Herridge. I do not think it ever has been, certainly not in recent years.

Mr. MACRAE: Mr. Chairman, have not the Civil Service Federation and the Civil Service Association passed resolutions for this veterans preference to be abolished? I believe that is part of the trouble today. Just a "yes" or a "no" answer would do me there. Do you know of that?

Mr. THOMPSON: I cannot answer that with certainty. I could not answer that as a fact.

The VICE-CHAIRMAN: Are there any more questions, gentlemen? If not, does the section carry?

Mr. BROOME: I would like to go back—

The VICE-CHAIRMAN: I do not think I can allow it, because in my opinion it does not come within the purview of the section.

Mr. BROOME: It is on preference.

The VICE-CHAIRMAN: But it is not on preference under this section.

Mr. BROOME: It is on veterans preference.

The VICE-CHAIRMAN: Well, ask your question.

Mr. HERRIDGE: This is not a bill; these are recommendations.

The VICE-CHAIRMAN: Yes.

Mr. BROOME: I am only asking for your opinion. You have a top category of disability. Is the Legion in favour of one veteran's preference over all other veterans?

Mr. THOMPSON: Mr. Chairman, I could not even venture an opinion on that, because that question as such has not come before a convention. I do not know what the delegates' reaction to it would be. I know such a proposal has been mentioned in the Heeney Commission Report, but there has been no Legion convention since that. Therefore, there has been no expression of opinion on that particular aspect.

Mr. BROOME: The Heeney report had something to do with taking away the preference altogether, did it not, or putting it on a point system?

I think every member of this committee is in favour of veterans' preference. I suggest, however, it is too narrow now, 13 years after the war has finished. Initially, after demobilization, the men who were overseas certainly should have had the best chance of getting in. But I have heard of dozens of cases of men who did a good job in Canada, who did not go overseas because they were doing a good job, and yet one man I know of "lost out" because he just did not have the few extra points he would have had with overseas service. But it was not his fault he stayed in Canada. I do not see why he should not rate the same preference as the other people who were overseas, because there are other compensations which those people have. This is one thing that I believe these other men are entitled to. I am talking of veterans all the way through.

Mr. THOMPSON: I would just like to make clear that I would not attempt to give an opinion on that, because it is something that undoubtedly will come up at a convention and there will be a question of policy involved. I think that is the prerogative of the members of the organization, to determine the policy they wish to follow.

The VICE-CHAIRMAN: Are there any other questions, gentlemen? Does the section carry? We pass on to Section 22, Civil Service Superannuation. Are all members now in possession of No. 7 of the minutes of proceedings, or the Legion brief, so that they can read it? If you have it, we will not ask Mr. Thompson to read it. Are there any questions?

Mr. O'LEARY: Mr. Chairman, I would like to ask Mr. Thompson this question. What was the basis of this 6 per cent request rather than the 12 per cent?

Mr. THOMPSON: You mean, the basis of the request for 6 per cent?

Mr. O'LEARY: That figure.

Mr. THOMPSON: The basis of that request is this. At the present time he has to pay the 12 per cent. He has to pay the 6 per cent that he would pay as an employee, plus 6 per cent that the employer would pay. It is felt that they should only have to pay the employee's portion. Does that answer your question, Mr. O'Leary?

Mr. O'LEARY: Yes.

Mr. ROGERS: Mr. Chairman, how does the present superannuation fund stand at present?

Mr. LALONDE: Mr. Chairman, at the moment they are now in the process, in the Department of Finance, of determining the actuarial value of the superannuation fund as of this year. They expect that the work wil be completed some time this fall. I may say that there are a number of questions of policy that are being studied by the advisory committee on superannuation. What the answer is will depend on the value of the fund, and that will be available by the end of this year.

The VICE-CHAIRMAN: Are there any further questions, gentlemen? Does the section carry? Section 23 comes under Veterans Land Act, supervised farm credit. There ought to be many questions here.

Mr. HERRIDGE: Mr. Chairman, I just want an explanation. You asked if the section was carried.

The VICE-CHAIRMAN: I should have said "approved".

Mr. HERRIDGE: The committee approves that recommendation; is that what you mean?

The VICE-CHAIRMAN: I just meant, are you finished with it? Maybe I was using the wrong word.

Is there any discussion on section 23, supervised farm credit?

Mr. HERRIDGE: Mr. Chairman, I would like to ask this question. I was very interested in that section, and I know a number of other members were. Could Mr. Thompson explain briefly to the committee the background of the Legions interest in extending this form of supervised farm credit to young Canadians. I think it is an excellent suggestion.

Mr. THOMPSON: Mr. Chairman, Mr. Herridge, this recommendation came as a result of a study by a committee that was set up at our last dominion convention. Their study drew on two things, really; the resolutions that had been submitted from the various branches, plus the knowledge and experience of members of the committee.

I think their feeling was that the Veterans Land Act has proven to be a very good thing for the veteran farmer. I think, too, that they felt that the benefits of the supervision—one might say, very kindly supervision—that had been available and had helped them to make successes of their farms should be protected for the veteran farmers. They also felt that if it could be so successful for the veteran farmers under the Act, it would be a good thing for Canadian farmers generally if this same kind of supervised farm credit was available to them.

They did not presume to try to force something on to the civilian farmer; but they felt it would serve those two purposes of ensuring that this supervision, guidance and assistance was available as long as there were soldier settlers in need of it, and also, if it was a good thing for the veteran farmers —and I think history has proven that—then it could well be a good thing for farmers generally.

Mr. HERRIDGE: I can tell Mr. Thompson that the members of farm organizations appreciate that recommendation very much indeed.

Mr. BROOME: Mr. Chairman, I think the Legion is to be congratulated tremendously on taking such a very broad viewpoint on this. I think it is all to the good when you have a body such as the Legion making a recommendation like that.

The VICE-CHAIRMAN: As there is likely to be a bill coming up, shall we pass on?

Mr. CARTER: If it is extended to civilians, does this recommendation imply that the supervision will be carried out under the Veterans Land Act by Veterans Land Act supervisors? It would be an economy to have the one person have that same area rather than setting up a dual agency in connection with that work.

Mr. THOMPSON: Mr. Chairman, my understanding of the committee's thinking, in arriving at this recommendation, when considering this matter at Edmonton, was that they realized there was a possibility that this might not be possible strictly or entirely under V.L.A. They felt there might be a need for a committee or a group that would coordinate, the V.L.A. doing the work on the ground throughout the country through their field services, and the Department of Finance and the Department of Agriculture working in conjunction with the V.L.A. That is something we did not attempt to suggest because we were interested in putting before the government what we would like to see done. Of course, how they work out the details is entirely up to

them. But it was taken for granted there was a strong possibility, if this was carried out, that this would necessitate setting up some group to bring in the other departments that would be involved.

Mr. ROGERS: I think, Mr. Thompson, what you are trying to emphasize is pre-counselling and supervision. By pre-counselling they mean they would use their field staff and, provided an applicant makes an application, a counsellor would go out and look over his application; if it was not sound, he would talk him out of it in a nice way so the applicant did not lose face. I think the inference is that if he is not doing well farming, probably the counsellor could help him to get into something else. I think that is where the emphasis should be.

Mr. HERRIDGE: In effect, Mr. Chairman, I believe what the Legion had in mind in expressing their opinion is that any administrative principle that had been found so successful under the Veterans Land Act was worth applying to Canadian farmers in general.

Mr. THOMPSON: Yes, Mr. Herridge, that is correct.

Mr. FORGIE: It has already been done.

Mr. CARTER: But, as Mr. Rogers has pointed out, it is not so easy to improve a principle when they have already started farming, but here you are asking to apply it after they have been farming and have proved unsuccessful at it. That is what I understood. The success of this under V.L.A. has been due to the fact that they have been very selective in the people who start out in the first place.

Mr. THOMPSON: In answer to that question, Mr. Carter, we certainly anticipate that there will be many people in the future settle on farms in Canada, and there are many years ahead in which this principle could be applied. In regard to what you said, what is done is done, but we felt if it was a good thing for veteran farmers, it should be a good thing for future Canadian farmers.

Mr. ROGERS: I think it can be, because there are a number of young farmers today who are hanging on by their boot tops. They have not an efficient operation. If this goes through, it will afford them an opportunity to build up a proper unit. They will have the value of pre-counselling, if they use the V.L.A. field staff and take advantage of the supervision afterwards. On the other hand, if they have not a sound proposition, this counsellor will be there to talk them out of it and help them in some other vocation in life. They do not send in applications and have them turned down cold. They will not lose face. I think there is a lot to this suggestion that could be worked out in the interests of our whole economy.

Mr. THOMPSON: In many instances, we feel it could make the difference between a man being a farmer and a man being a successful farmer.

Mr. MACDONALD (*Kings*): I believe, Mr. Chairman, that there will have to be a lot of farms re-established. We are going to have to get back into farming in a lot of areas where it has been allowed to go down in order to keep up the food necessities of the nation. I believe if the successful job done by the Veterans Land Act administration is reflected further afield, it would be a good thing for agriculture in Canada.

The VICE-CHAIRMAN: If there is nothing further, we will pass on to section 24, Children of War Dead (Education Assistance) Act. Gentlemen, we hope that enough members will stay so that we can keep a quorum and finish this subject. We will pass along as fast as we can. Are there any questions in regard to section 24? As there are no questions, we will pass on to section 25, children receiving compassionate pensions under section 25 of the Pension Act.

Mr. HERRIDGE: Would you explain to the committee the background of this recommendation and what it springs from?

Mr. THOMPSON: Are you referring to recommendation No. 25?

Mr. HERRIDGE: Yes.

Mr. THOMPSON: In the bill introduced last year to amend the children of war dead act, there was a provision made to extend the act to certain children receiving pensions under section 25, which is the so-called compassionate pension. There are a small number of children who could be receiving a pension under section 25 but pension is not being paid as of right. If the pension is paid as of right, if the veteran's death is admitted to have been due to service, then the children of war dead act applies. But we do have some cases where this is not established and there are circumstances that merit special consideration; the pension commission uses its power under section 25 and grants a compassionate award.

Last year the amendment to the act which dealt with children under section 25 was designed primarily, I believe, to cover the cases where there were some irregularities concerning the marriage, or birth of the children, and pension was paid by the commission to provide for the child under section 25, although they did not pay it under the section, they would pay it if there had been no irregularity. I stand to be corrected by the deputy minister, but I understand that was the group covered. We asked at that time that all children who were receiving pensions under section 25 receive the benefit of the children of war dead act. There is only a small number; I think there are less than ten involved. It seemed to us that if the service of the father and the circumstances of the case were enough to merit the state paying a pension under section 25, then they merited this additional expenditure to start them on the way to education, provided they meet the other qualifications.

Mr. HERRIDGE: There was only a very small number involved?

Mr. THOMPSON: Yes, I believe it is something under ten that would be involved.

Mr. BROOME: I wonder how it was missed out of the previous amendment?

Mr. LALONDE: It is more than a question of a few persons involved; there is a very big question of principle involved. Up until now, parliament has decided that the Children of War Dead (Education Assistance) Act, as the name implies, would be available to the children of those whose death was service-connected in one way or another. In the group Mr. Thompson is referring to now there is no connection between the death of the father and his military service; and because there is no such connection, it does not come within the general principle governing the act itself. That is why the act was not amended to extend eligibility to children whose father's death was not connected with his military service.

The VICE-CHAIRMAN: Are there any further questions? We will now pass on to section 26, children pensioned under section 26(7) of the Pension Act. Mr. Thompson, would you explain that section.

Mr. LALONDE: I explained that when the war amputees were here.

Mr. HERRIDGE: Yes, that is in the record.

The VICE-CHAIRMAN: If there are no further questions, we will pass on to section 27, at page 215, educational assistance for children of seriously disabled pensioners. Are there any questions?

Mr. CARTER: Does the Legion contemplate any sort of means test there, on the basis of need or irrespective of need?

Mr. THOMPSON: Mr. Chairman, again this certainly departs from the point the deputy minister has emphasized as being different from the original intent of the Children of War Dead (Education Assistance) Act, as the name implies. However, I think a great deal of the veterans legislation has undergone a change from its original form to what it is now. I do not think it should be

necessarily tied to what it has been. But in this case we have come across cases where there are children of pensioners, some 100 per cent pensioners, who are undergoing long-term treatment and are definitely unable to assist their children. You will note that we have asked that it be amended to give discretion, which admits there would be a need for not only a means test but a test in the broadest sense. Unfortunately, there are some cases where a child's father could be in a mental institution and pensioned for this condition. The date following his death the child would be eligible. But while he is alive the child is ineligible. That is why we use the word "discretion", and that would involve a means test.

Mr. CARTER: I support that, Mr. Chairman.

The VICE-CHAIRMAN: If there is not anything further, we will conclude this discussion of the sections covering the recommendations of the Legion committee. This concludes our work for today. So far as I know, our next meeting will be held at eleven o'clock on Thursday morning.

I believe it is the intention of the chairman to be back in order to take up legislation on Thursday. This really completes it, unless you feel you want to hold section 1 of the estimates open. If you wish to hold that back for further discussion on Thursday, we might do so; it is up to the committee; or you may pass item 1 of the estimates, and that will close the estimates. Then the steering committee could get on with its report.

Mr. HERRIDGE: Mr. Chairman, in view of the attendance just now, I suggest it would not be advisable to pass item 1 at this meeting. There may be members who are not able to be here this afternoon because of the debate in the house.

The VICE-CHAIRMAN: Is that agreed?

Agreed.

The VICE-CHAIRMAN: Then I think the best suggestion is that we will start out with item 1 at our next meeting, wind it up and then go on with the legislation after that.

—The committee adjourned.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

RECEIVED
MAY 5 1959
Library of Parliament

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 12

including Index of items considered.

Estimates 1959-60 of the Department of Veterans Affairs
Bill C-31, An Act to amend the Veteran Rehabilitation Act.
Bill C-32, An Act to amend the War Service Grants Act.

THURSDAY, APRIL 23, 1959

WITNESSES:

Mr. Lucien Lalonde, Deputy Minister of Veterans Affairs; Mr. G. H. Parliament, Director General, Veterans' Welfare Service; Mr. D. M. Thompson, Canadian Legion.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

20997-3—1

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.,

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

and Messrs.

Badanai	Herridge	Peters
Batten	Jung	Pugh
Beech	Kennedy	Roberge
Benidickson	Lennard	Robinson
Broome	Macdonald (*Kings*)	Rogers
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

HOUSE OF COMMONS, ROOM 112-N.

THURSDAY, April 23, 1959.

The Standing Committee on Veterans Affairs met at 11:00 o'clock a.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Badanai, Beech, Broome, Carter, Clancy, Dinsdale, Fane, Forgie, Fortin, Garland, Herridge, Jung, Lennard, MacRae, Matthews, McIntosh, Montgomery, O'Leary, Ormiston, Parizeau, Rogers, Speakman, Stearns, Thomas, Weichel, Winkler.

In attendance: Mr. Lucien Lalonde, Deputy Minister of Veterans Affairs; Mr. F. T. Mace, Assistant Deputy Minister; Mr. G. H. Parliament, Director General, Veterans Welfare Services; Mr. T. T. Taylor, Director of Legal Services; Mr. C. F. Black, Secretary of the Department; Mr. J. G. Bowland, Research Adviser. Also from the Canadian Legion—Mr. D. M. Thompson, Director, Service Bureau; Mr. M. MacFarlane and Mr. Bert Hanmer, Service Officers.

The Committee resumed consideration of the Estimates 1959-1960 of the Department of Veterans Affairs.

Item 448 was further considered and finally approved.

The Committee then proceeded to the consideration of Bill C-32, An Act to amend the War Service Grants Act.

Clauses 1, 2, 3 and 4 were severally considered and adopted.

On Clause 5. On motion of Mr. Speakman, seconded by Mr. Herridge.

Resolved,—That the said clause be adopted but that a recommendation be made to the Government to consider making provision in the Bill to provide where such member is unmarried, and has no dependents, that member's re-establishment credit shall be held and made available for his re-establishment whenever he may be released from hospital within twelve months of such discharge.

Clauses 6, 7, 8, 9, 10, 11, 12 and 13 were severally considered and adopted.

During the consideration of the Bill Messrs. Lalonde, Parliament and Thompson were questioned on various aspects of the Bill.

The Committee then proceeded to the consideration of Bill C-31, An Act to amend the Veterans Rehabilitation Act.

Clauses 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 were severally considered and adopted.

The preamble of the two Bills and the title of each were in turn adopted and both Bills ordered to be reported to the House without amendment, except that a recommendation should accompany the Report on Bill C-32.

At 12:50 o'clock p.m. the Committee adjourned to the call of the Chair.

Antoine Chassé,
Clerk of the Committee.

20997-3—1½

EVIDENCE

THURSDAY, April 23, 1959.
11.00 a.m.

The CHAIRMAN: Gentlemen, we have a quorum.

I wish to thank Mr. Montgomery, who has very ably carried on during the last two meetings. I understand you have made wonderful progress in your deliberations to the extent that now we have completed the consideration of the estimates with the exception of the first item. In the house we are getting near the stage where the estimates will be required for general discussion. Therefore I think we might conclude our discussion this morning on the estimates, if it is your wish, and report them back to the house. Have you any comments on that?

Mr. BEECH: I so move.

Mr. BROOME: I second the motion.

The CHAIRMAN: There is one little problem which I believe should be brought to your attention. We have considered the representations of the various veterans' groups who have attended. I have a further request from the National Council of Veterans Associations. Colonel Eddy Baker has written requesting an appearance before this committee on Monday, May 11. I imagine it would be your wish to hear from Colonel Baker and his associates in the National Council of Veterans Associations. Is that your wish?

Agreed.

The CHAIRMAN: We will close the estimates on the understanding that we will hear from Colonel Baker.

Agreed.

The CHAIRMAN: Item 448 is approved and we have concluded our discussion of the estimates.

Mr. MCINTOSH: Could we have a few words from the deputy minister in respect of the speech which the minister made in Montreal concerning an increase in pensions? To what did he refer?

Mr. LUCIEN LALONDE (*Deputy Minister, Veterans Affairs*): The minister did not mention that in his speech and I was not there when he spoke to the press afterward.

The CHAIRMAN: I think that is a matter we will have to discuss with the minister in due course.

We now have some legislative items to consider. We will first look at Bill C-32. It is an act to amend the War Service Grants Act. You will recall that the Canadian Legion submitted a brief on these particular amendments. The brief is in the record of our proceedings at page 198 of the official records.

I will ask Colonel Lalonde to give us an introductory statement on these amendments.

Mr. LALONDE: Mr. Chairman and gentlemen, before I do this I would like to introduce to the committee another official of the department who has not appeared before you as yet; Mr. T. T. Taylor, the director of the legal services. He will answer any question concerning the legal aspects of the bill or in respect of the drafting itself.

The bill has a number of changes in policy—offhand I would say about two or three. There are also a number of administrative amendments which are not creating any problems at the moment. However, since we were amending the act, we felt that this was a good time to bring it up to date.

Mr. Chairman, I suggest that if you wish to take up each clause of the bill in turn, we can indicate to the members which clause entails a change in policy and which clause is simply an administrative amendment. Of course the main change is in the deadline for the use of the re-establishment credit which, under the present act, is January 1, 1960. The bill will propose an extension of that deadline.

Mr. THOMAS: Will Mr. Lalonde give us a very brief rundown on the history of the War Service Grants Act? I know it in general, but I am a little rusty on it.

Mr. LALONDE: I think the person best qualified to do that is Mr. Parliament, the director general of welfare services, who handles that act.

Mr. G. H. PARLIAMENT (*Director General, Veterans Welfare Services*): The act set up a procedure in respect of World War II which was different to that which obtained in World War I. It divided the gratuity into two classes, one being in cash paid by the Department of National Defence and the other under section 12 of the act. A portion of the total gratuity was paid under the re-establishment credit regulations. I do not know whether or not I can add very much to that. It is all contained in section 12. It gives the purposes for which it can be used. A veteran must make application for the re-establishment credit, which is handled in the districts.

Mr. THOMAS: There were certain limitations on the use of it.

Mr. Parliament: Yes. In the early days we did have some restrictions on the use of credits for such things as radios, television sets, and so on. That has been broadened administratively within the last few years or probably the last year.

Mr. WEICHEL: How high can these credits run?

Mr. PARLIAMENT: We can give you the exact figure, but speaking strictly from memory, I think it is about $350 on the average for World War II. We handled slightly over $2 million in applications for credits which were set up on behalf of about 900,000 veterans. These are in round figures.

Mr. THOMAS: I believe it was $15 a month?

Mr. PARLIAMENT: Seven and a half dollars a month for each thirty days' service in Canada. When a man went overseas he was then paid 25 cents a day extra for service overseas plus a supplementary gratuity which was seven days' pay and allowance for six months' service.

Mr. LALONDE: That is the gratuity?

Mr. PARLIAMENT: Yes.

Mr. LALONDE: That was the basis for it, rather than the credits?

Mr. PARLIAMENT: The re-establishment credit was based on the basic gratuity of $7.50 for each thirty days in Canada, plus a gratuity carrying 25 cents a day for each day of service overseas. This formed the basic gratuity and then there was a supplementary gratuity paid at the rate of seven days pay and allowances for each 6 months served overseas.

Mr. THOMAS: I thought it was $15 a month?

Mr. PARLIAMENT: That works out to $15 a month.

Mr. THOMAS: For overseas service?

Mr. PARLIAMENT: Yes.

Mr. LALONDE: I might add that the gratuities, except in very few cases of veterans with overseas service who left the country right after the war and are coming back now, have all been paid. 99.9 per cent have been paid. The main item now under the War Service Grants Act is the re-establishment credit.

The CHAIRMAN: Have we any further general questions?

Mr. CLANCY: Was it the rule, in respect of this re-establishment credit, that a veteran was entitled to one year at univerty for every year overseas, or something like that?

Mr. PARLIAMENT: It was based on service, but under the Veterans Rehabilitation Act, the university training could be carried on for a period longer than the length of service. If a man obtained the equivalent to second class honours we could extend it each year on the recommendation of the universities. University training was an alternative to the re-establishment credit and you could not have both.

The CHAIRMAN: Can we proceed to the bill?

Agreed.

On Clause 1—Home.

Mr. MONTGOMERY: I notice here that a veteran may use the re-establishment credit to repair a home which is owned by a parent or a dependent. Does the veteran have to have any particular claim on that home? The parent may own it and will it away to someone else.

Mr. LALONDE: That is right. However, we found out there are a number of single veterans, who live with their parents who are not wealthy, and who in fact contribute to the maintenance of the parents and, indirectly, to the maintenance of the home. Under present legislation they are not allowed to use their credits to effect major repairs or improvements to that home because the title is in somebody else's name.

Our reasoning in enabling the single veteran to use his credits in this way is that, if the parents are in some degree dependent upon the veteran, there is a presumption that eventually he will have an interest in that home himself. I should say a legal interest. At the moment he has a personal interest and if he is going to continue to live there for any length of time, we feel it is contributing to his own re-establishment or his own welfare to allow him to effect those improvements.

Mr. HERRIDGE: Mr. Chairman, I think this is an excellent amendment. However, I wish to ask the deputy minister whether or not it has come to the notice of the officials that there are veterans who would benefit by this amendment? Is it because of experience?

Mr. PARLIAMENT: It is experience gained in the districts. When we asked for suggestions from them, one of the suggestions which came from the districts, and I think it was practically a universal suggestion from the districts, was that this group of single men were somewhat restricted in the use of their re-establishment credits by the definition in the act.

Mr. HERRIDGE: I think it is an excellent program.

On Clause 2.

Mr. LALONDE: That is an administrative amendment which confirms the procedure already in effect. This now makes it official.

Claused agreed to.

On Clause 3.

Mr. LALONDE: This also is an administrative item.

Clause agreed to.

On Clause 4—"Child" defined.

Mr. LALONDE: This is to extend the definitition of a child, as it applies to clause 5 which incorporates a change in policy. Clause 4 is dependent on clause 5.

Clause agreed to.

On clause 5—Member eligible for re-establishment credit mentally infirm.

Mr. HERRIDGE: I suppose this is a result of experience in the districts?

Mr. PARLIAMENT: Definitely; yes.

Mr. LALONDE: The main problem there is that we have a number of veterans, many of them disability pensioners, who have been in hospital for quite a while on account of mental illness and who may continue to be in hospital for that disability at the time when the dead-line occurs for the use of the re-establishment credit. Because the veteran is alive the present act will not permit us to use the credits for the benefit of his dependents.

Unless the present act is amended, when the dead-line occurs in 1962, and the veteran is still alive, he would be prevented from using his credit because of his illness and his family would not have a chance to use it. Therefore, we propose to secure the authority to use the credit of those mentally ill for the benefit of their wives and children.

Some hon. MEMBERS: Hear, hear.

Mr. LALONDE: But it would still be subject to the purposes for which the re-establishment credit is authorized.

Mr. SPEAKMAN: Let us go a little further. What about the single veteran in the same circumstances who has no home and no dependents? He is entirely deprived of his re-establishment credit. It could be used to provide him with some additional comforts in the institution. I know there would not be too many of them.

Mr. FORGIE: Can not the public trustee ask for this money?

Mr. LALONDE: At the moment we could use the credit of that single veteran for his dependent father or mother. However, I see the point you are making. What will happen if there is a single veteran who has not come out of hospital at the time of the dead-line. I think it is a good point.

Mr. SPEAKMAN: And who has no dependents or relatives. I know of a case of that kind.

Mr. BROOME: Subclause (c) seems to have been put in to cover that.

Mr. LALONDE: The point raised is not that there is no authority to use the credits on his behalf; I think we could do it under the subclause (c). I am now thinking of a person who would use it on behalf of such a veteran.

Mr. SPEAKMAN: Life in these institutions is pretty barren. I happen to know some of these veterans. I visit a veteran who has no known relatives in Canada or anywhere. He is in a mental institution and has been since he returned from overseas in 1944. The comforts in those places are provided by outside sources. I know this man has re-establishment credits, but I do not know how much. The comforts during his hospitalization are provided by the department.

Mr. SPEAKMAN: I agree.

Mr. LALONDE: It would be useless to use his credit for that purpose because we are providing him with comfort to the tune of $10 a month. That takes care of his needs.

Mr. SPEAKMAN: He is still entitled to this re-establishment credit?

Mr. LALONDE: Yes.

Mr. SPEAKMAN: And we are going to deprive him of it?

Mr. LALONDE: We do not intend to.

Mr. SPEAKMAN: I know, but I wonder whether this amendment goes far enough.

Mr. LALONDE: We may have to consider the possibility that this new section will not enable us to use the credits properly, on behalf of that veteran. Possibly we will have to extend the eligibility for him for a year following his discharge from hospital, if it occurs after the dead-line.

Mr. BROOME: In regard to any veteran who did have a credit, under section (c) could you not say in such a situation the minister could designate the department as being the trustee? The money could then be transferred to the department and held for this man, instead of going on, extension after extension.

Mr. LALONDE: That would be no problem,—

Mr. BROOME: You have full authority under (c) to do what you wish.

Mr. LALONDE: The problem arises where the person designated by the minister attempts to use the credit for a specific purpose. As I have pointed out it would be useless to try to use it for the veteran's comfort. He receives them from the department now; why should his money be used for that purpose? He does not need a home; we are taking care of that. He does not need tools for his business; he is not in business at the moment. However, if he is cured he may need the credit for those purposes.

Mr. BROOME: The department could hold it in trust.

Mr. LALONDE: Not after the deadline.

Mr. BROOME: You could have a designated person from the department, the Canadian Legion, or anyone you wished to act as trustee. You have all the power to select a place for this money.

Mr. FORGIE: Could it not be arranged that this money be transferred to the public trustee in the province?

Mr. LALONDE: It never is. This money comes from the consolidated revenue fund and there is an amount put in the estimates each year. But this is one of the things that is not voted upon and that money remains in the consolidated revenue. Under the law we are not allowed to pay it in cash to anyone, at any time, except for a residue of up to $25. Therefore, this would not solve the problem.

Mr. CARTER: You could not set up an estate under the Department of Veterans Affairs?

Mr. LALONDE: No, not for credits. You must remember the re-establishment credit was set up for a special purpose and that was to help the veteran to re-establish himself in civilian life. It was never intended that it would be another gratuity which was paid in cash.

Mr. CARTER: If that veteran were well, he would assist in re-establishing his children; why could not that money bet set up so if he never used it his children could use it?

Mr. LENNARD: That is covered.

Mr. LALONDE: The only problem now is the single veteran who will not have been discharged from hospital by the time the deadline occurs in 1962.

Mr. CARTER: I understand now.

Mr. LENNARD: I would move, Mr. Chairman, that this clause stand until you get it straightened out.

Mr. MONTGOMERY: I think the only thing that can be done, as the deputy minister has suggested, is to give the minister the discretion of extending the time because if you set up a trust fund he may die in the institution and then what is going to happen to the trust fund? I do not think that can be done.

Mr. McINTOSH: Section 11 of the act prohibits setting up any fund.

The CHAIRMAN: Now, gentlemen, in listening to this discussion it seems that we have hit upon a slight deficiency in the amendment, and rather than toss the subject around and continue to discuss it in this committee, perhaps the matter could be referred back to the department. I think we all understand the problem. Could we have a recommendation from this committee that this deficiency be taken care of by further amendment?

Mr. LALONDE: This, Mr. Chairman, shows we are not infallible and are glad to receive suggestions.

Mr. CLANCY: If I understand correctly from the discussion which has been going on, as long as the man needs treatment and is retained in an institution he has no need for the re-establishment credit.

Mr. LALONDE: No.

Mr. CLANCY: And the only time it would be paid out is if he was ever discharged.

Mr. LALONDE: That is correct.

Mr. CLANCY: Would it not be better to put in a subclause which would take in this particular class in the event of discharge from the institution?

Mr. McINTOSH: According to the act you could take out an insurance policy for him. That is the only thing you could do.

Mr. LALONDE: On his behalf?

Mr. LENNARD: He has no dependents.

Mr. LALONDE: But under the insurance act he has to apply for the policy himself and in this case he has really no legal guardian. When he comes out cured he might say: I do not want to have an insurance policy.

Mr. SPEAKMAN: I think we could let it stand and allow it to go back for further study because I think the correcting of this would be a very simple matter. You could get your experts working on it.

The CHAIRMAN: Could we have a recommendation?

Mr. HERRIDGE: I move, Mr. Chairman, that this section be referred back to the minister and his officials for further consideration.

Mr. WEICHEL: I second the motion.

Mr. BEECH: Could we not have a small subcommittee who could discuss it and bring in a recommendation? In this way we would know what we are talking about.

Mr. ROGERS: Is there an urgency to have this bill passed right now?

The CHAIRMAN: Well, if we could complete our considerations this morning it would facilitate the business of the committee and the house. Now, it is rather difficult to formulate a clause which would be required to cover the situation. However I think the problem is well understood. Could we have a specific recommendation?

Mr. MATTHEWS: Do you mean pass it, with a recommendation?

Mr. HERRIDGE: Could we have a motion drawing attention to this?

The CHAIRMAN: In our report back to the house we could specifically recommend that this matter be given further consideration.

Mr. HERRIDGE: We could say: in view of what has been discussed would further consideration be given to an amendment to meet the situation.

The CHAIRMAN: Yes, and I think the committee is agreed on that course of action.

Mr. THOMAS: It seems what we want is an extension to the present proposed amendment. As far as it goes, the amendment is satisfactory; but what

is suggested is an extension of that. So we are perfectly safe to adopt this or accept this as it is, and then recommend that consideration be given to a further amendment. Does that cover it?

Mr. LALONDE: Of course you realize, Mr. Thomas, that in any event my minister may have to put the new amendment up to cabinet for approval before it can be incorporated in the bill.

Mr. THOMAS: There may be a principle involved there that we are not completely seized with at the time. These war service grants we are talking about are not a right. I take it they are a grant for which a person may qualify. A single veteran in a mental hospital, with no dependents, probably cannot qualify for a grant and therefore, there is no consideration given to a grant in his case.

Mr. LALONDE: Our consideration was that this type of veteran is prevented, through circumstances beyond his own control, from receiving something that parliament says should be available to him. As far as that veteran is concerned, we felt he should receive special consideration; so that when those circumstances beyond his control have disappeared he might be placed in exactly the same position as the other veterans were with respect to the same benefit. I must confess that the business of a single veteran not having any dependents escaped me completely.

Mr. MONTGOMERY: Mr. Chairman, I do not suppose there are very many of these cases. Does this apply just to second world war veterans?

Mr. LALONDE: And Korean veterans.

Mr. MONTGOMERY: If he has been in a mental institution ever since he came back, I do not think there is very much hope of that man getting better.

Mr. LENNARD: I would not say that, Mr. Chairman.

Mr. MONTGOMERY: Just a moment. Do not get me wrong. His prospects are far more remote than the man who has been in and has recovered. His chances of recovering sufficiently to re-establish himself are quite remote. He may recover to the point where he can get out, but recovering to the extent where he can re-establish himself is another question. Before we proceed further, could we obtain information as to how many veterans there might be and the nature of their medical reports?

Mr. HERRIDGE: That would not help us. We should correct the act. If there is one, we should correct the act.

Mr. LENNARD: Yes, I agree with you. Great strides have been made in curing mental illness and with the modern miracles which are being performed, it is possible in the future he could be re-established.

Mr. MONTGOMERY: The possibilities are quite remote.

Mr. LALONDE: I am afraid it would be difficult for us at the moment to give you the number of single veterans in mental hospitals who would still be there in 1962. I say this because a lot of these patients are disability pensioners for whom we are paying, but they are not all in our hospitals. Some of them are in mental institutions operated by the provinces. Therefore, we would have to go through the whole list of our patients in all mental institutions and ascertain whether they are single or married. However, I am pretty certain there are only a few. It is not a large problem; that is why it escaped us.

Mr. FORGIE: Could we not amend section 9(a) to read as follows: "subject to subsection 2 where the minister is satisfied that a member, whether he be a single or married veteran"? Those words would cure the whole situation.

Mr. LALONDE: We think that we can cure the problem you brought to our attention this morning by using the same type of clause that we have used to deal with the veteran who establishes himself under the Veterans Land Act,

and then for reasons beyond his control terminates his establishment after the deadline without having received any benefit under the Veterans Land Act. This is clause 8 of the bill. We are convinced that if we use the same type of clause we could take care of this matter in regard to a single veteran who is in a mental institution.

The CHAIRMAN: Perhaps if in our report back to the house we asked that the problem of single veterans, without dependents, be taken into consideration by way of a further amendment, the problem would be adequately taken care of. Would you agree?

Mr. LALONDE: Would you go as far as recommending that the act should give these veterans an eligibility of one year after discharge from hospital because that is what we are proposing in cases of Veterans Land Act establishments?

Mr. SPEAKMAN: Then we are setting another limit.

Mr. LALONDE: No, he has a year after his discharge.

Mr. SPEAKMAN: That is what I have said.

Mr. MCINTOSH: Regardless of whether it is 1970 or 1972?

Mr. LALONDE: It does not matter—one year from his discharge.

Mr. SPEAKMAN: Would the deputy minister read this over and see what he thinks of it.

Mr. LALONDE: Yes, if you add the one-year period to that, it will make it conform with the Veterans Land Act cases.

Mr. SPEAKMAN: Yes, that is right. I think that would get us out of this difficulty.

The CHAIRMAN: The wording of this recommendation from Mr. Speakman is as follows:

> Where such member is unmarried and has no dependents or no known relatives living . . .

Mr. LALONDE: The fact that he has relatives living or not is of no consequence; I do not think that needs to be there.

The CHAIRMAN:

> . . . that member's re-establishment credit shall be held and made available for his re-establishment whenever he may be released as cured.

Mr. LALONDE: You mean released from hospital?

Mr. SPEAKMAN: Yes.

Mr. LALONDE: Because the word "cured" may be subject to medical opinion; I do not think we want that.

The CHAIRMAN:

> Released from hospital and mentally able to re-establish himself.

Mr. LALONDE: Why not leave it: when he is released from hospital, and be eligible for a period of one year from that date.

Mr. SPEAKMAN: All right; I will put that as a suggestion.

Mr. MCINTOSH: Will that pass the legal advisers?

Mr. LALONDE: This is not necessarily the language that will be used by the Department of Justice in drafting an amendment, but this is the idea and the basis on which they will work.

Mr. HERRIDGE: That expresses the wishes of this committee in regard to this amendment.

Mr. MCINTOSH: But you have regulations here showing it will cease in 1962.

Mr. LALONDE: Well, the clause that will be drafted by the legal people will say: notwithstanding anything in this act—and then they will give you the enabling clause.

Mr. MCINTOSH: That is the point.

The CHAIRMAN: The wording will now read as follows—and I am just reading the final phrase:

> ... and made available for his re-establishment whenever he may be released from hospital within twelve months of such discharge.

Is that agreeable, gentlemen?

Agreed.

The CHAIRMAN: Now we have a special recommendation that will be included in our report back to the house. I think that should cover the problem.

Clause 5 agreed to.

On clause 6—provisions of act to apply.

Mr. LALONDE: This is to make the other sections of the act applicable to the one you have just approved, with an amendment.

Clause 6 agreed to.

On clause 7—purposes for and time within which available.

Mr. LALONDE: This is the clause which extends the period of eligibility. It reads:

> Within a period of fifteen years from the thirtieth day of September, 1947, or the date of his discharge, whichever is the later.

As far as World War II is concerned, this means that the thirtieth of September, 1962 will be the later date end, therefore, all veterans of World War II will have until that time to use their credits whether or not they were discharged before September, 1947, as most of them were. But this gives a common deadline for everyone, and instead of saying: you were discharged in 1944; you have fifteen years from that date; you were discharged in 1946, you have fifteen years from that date; everyone now will have the same deadline. The year 1962 gives them approximately three years from now in which to spend their credits.

As far as Korean veterans are concerned, I should point out that this gives them fifteen years from the date of their discharge, which means those discharged in 1953 will have until 1968.

Mr. THOMAS: Mr. Chairman, I think the department should be congratulated on subparagraph 2 of clause 7 where it states these re-establishment credits can be used to make up payments under the Public Service Superannuation Act.

Clause 7 agreed to.

On clause 8—computation of re-establishment credit where election for benefits under Veterans' Land Act.

Mr. LALONDE: That is the clause which will now enable us to make available to a veteran established under the Veterans Land Act and who terminates his contract after the thirtieth of September, 1962 one year in which to use his re-establishment credit, if the circumstances surrounding the termination of his establishment are such that the minister certifies he has received no benefit under the Veterans Land Act. This maintains the policy of re-establishment credit and Veterans Land Act being alternate benefits. There are cases where a veteran came under the Veterans Land Act with the intention of remaining under the act for the ten-year period which would enable him to get a substantial benefit. After four, five or six years something happens which is beyond his control and he has to terminate his establishment. Under certain rules made by the minister we are then in a position to say

this person has had no benefit under the Veterans Land Act, and if he has had no benefit under the Veterans Land Act he is entitled to benefits under the War Service Grants Act. This will enable us to make these benefits available under the War Service Grants Act, even after the deadline of 1962.

Mr. MONTGOMERY: Fifteen years after their discharge?

Mr. LALONDE: That is right.

Mr. BEECH: Would this be applicable in the case of veterans who had their land expropriated at Malton, Ontario?

Mr. LALONDE: It would be applicable to any veteran established under the Veterans Land Act who is certified by the minister as not having had any benefit.

Mr. ROGERS: He could have some benefit.

Mr. LALONDE: Or a benefit that is less than his re-establishment credit; then we could make the difference between the two available to him.

The CHAIRMAN: I believe the second recommendation in the Legion's brief comes under clause 8. We have the Legion's recommendations before us. I will read it to you.

> The Veterans' Land Act settlers, particularly those with long periods of overseas service during World War II, and the Korean war, be permitted to make use of re-establishment credits after they have fulfilled the terms of their Veterans' Land Act contract. With regard to the loss of re-establishment credit on the part of those who settled under the Veterans' Land Act it should be pointed out that the man with the longest period of overseas service forfeits the most in such cases. We feel that it is not proper that this should be so.

It seems to me that that recommendation might better be dealt with under the Veterans Land Act rather than under the War Service Grants Act.

Mr. THOMAS: I have a question I would like to ask in respect of the re-establishment credit matter. What about the veteran who came under the Veterans Land Act in respect of a small holding? We will say he worked for a bank. The bank moved him to another location and he had to sell his small holdings. What would be his position? Suppose he sold that small holding at a profit and moved away and his contract with the Veterans Land Act had to be cancelled? Would the profit be considered as a benefit, or does that enter into the picture?

Mr. LALONDE: There are two aspects to this question. The first is that under the Veterans Land Act there are provisions for what we call a continuing second establishment to deal with the very type of case which you have mentioned here of a veteran who has a small holding and is moved by his firm. Suppose he comes to the director and says that, due to circumstances beyond his control, he has to move from Toronto to Montreal and wants to continue to remain established under the Veterans Land Act and asks for a second establishment, using the proceeds of his first. When that happens the director sells the first house, usually to another veteran, and if the value of the first house has gone up to the point where it covers more than the cost to the director, the profit may be used by the veteran to purchase his second holding, or he may receive the difference in cash. That is not considered to be a benefit under the Veterans Land Act because it is a capital gain.

What we usually consider a benefit under the Veterans Land Act is the payment of the conditional grant which is paid out of the taxpayers' money. The government has nothing to do with the other one. It costs the taxpayer nothing.

Mr. WINKLER: I think we should consider the suggestion which has been made that this does not apply here. I would suggest that it be eliminated from these amendments and be considered under the Veterans Land Act.

Mr. BROOME: If the veteran had applied for a holding under the V.L.A. and then gives up his right to it by taking a cash settlement under the War Service Grants Act, because of personal reasons, and then at some subsequent date wanted to refund that money to the department and come back under the Veterans Land Act, would that be possible?

Mr. LALONDE: Are you speaking of a veteran who is established under the V.L.A.?

Mr. BROOME: No.

Mr. LALONDE: You are speaking of a veteran...

Mr. BROOME: Who had proposed to establish under the V.L.A.

Mr. LALONDE: And he has used his re-establishment credit?

Mr. BROOME: Signed off his rights to the re-establishment credit under the V.L.A. and took his credit in cash for certain reasons of his own and now wishes to pay back that credit and come under the V.L.A.

Mr. LALONDE: I think I should deal with the two possible types of cases. The veteran who after the war decided to use his re-establishment credit, did in fact use it, and eight years later decides that the best re-establishment method, as far as he is concerned, is an establishment under the Veterans Land Act. He has, at the moment, until January 1, 1960, to repay his credit in cash to be established under the Veterans Land Act.

Then there is the case of a veteran who after the war secured an establishment under the Veterans Land Act, after three or four years gave it up, and we restored his credits. If he has used that credit and now wants to change his mind again, repay his credit and come back under the Veterans Land Act, then he is not eligible.

Mr. WEICHEL: Can a veteran acquiring land under the Veterans Land Act sell part of that to an individual or to a municipality if that land is wanted, for instance, for a roadway or some such purpose?

Mr. LALONDE: For the first ten years of his occupation of the land, or of his holding, under the Veterans Land Act—and possibly longer—the title to his property remains in the name of the director. Actually, the title remains in the name of the director until the veteran has paid off his debt. However, he cannot pay off within the first ten years of his establishment and get his conditional grant.

There are cases where the veteran is established, let us say, on a four or five acre small holding, and public services need part of that land. If the portion of his land which is required will not reduce it below the required minimum, then a veteran would go to the director and say I want to sell this part. The director would sell it provided it does not hurt the value of the property on which the veteran is settled. The director would then apply the proceeds to the veteran's account.

Mr. WEICHEL: There is a case of a veteran in Kitchener who had land which the city of Kitchener wanted to purchase for a roadway. I think it was agreed by all parties and also by the authorities of the Veterans Land Act that this could be done.

Mr. LALONDE: May I suggest that you wait until the Veterans Land Act bill is before us. I think that very point is well covered in that bill. I know what you have in mind and I think it will be explained fully at that time.

Mr. WEICHEL: It took about nine months to make the transaction.

Mr. LALONDE: I do not know anything about that.

Mr. WINKLER: I have a very personal experience in respect of this matter at the moment. If this clause was inserted into the proper act it would serve a tremendous purpose for the veteran; but I do not think it applies in this particular department.

The CHAIRMAN: You are referring to the Legion recommendation?

Mr. WINKLER: I am referring to the clause as it is here. I do not even know what the Legion representation is.

Mr. LALONDE: This clause 8 cannot go into the Veterans Land Act because the authority for us to make the credit available is in the War Service Grants Act. We could not use the Veterans Land Act to give authority to pay out a re-establishment credit.

Mr. WINKLER: I understand.

The CHAIRMAN: I believe Mr. Thompson has a question in respect of the Legion representation.

Mr. D. M. THOMPSON (*Canadian Legion*): As the deputy minister has said in respect of the proposed amendment, this recommendation would seem to have to be dealt with under the War Service Grants Act rather than the Veterans Land Act because it has to do with the payment of re-establishment credits.

Mr. LALONDE: That is technically correct. However, there is involved in this recommendation a question of policy under the Veterans Land Act. Why is it that the conditional grant was set at a certain figure under the Veterans Land Act? I think it is certainly relevant in the discussion as to why a person who has received the full conditional grant is not as well entitled to have the re-establishment credit.

I may point out to the committee, without arguing the merits of it, that a veteran established under the Veterans Land Act who secures the benefit of his conditional grant never suffers any loss as far as his re-establishment credit is concerned because the conditional grant is always at least twice the amount that was available for credit.

Mr. MONTGOMERY: If that were changed it seems it would give some people the advantage of having both. I do not think that would be at all fair.

Clauses 8, 9 and 10 agreed to.

On clause 11—Reference to committee of review.

Mr. LALONDE: This is an administrative item. The board of review was set up under the act right after the war and in the last section it reads:

> When the minister is satisfied that the purposes for which the board of review was established have been substantially fulfilled, he may, with the approval of the governor in council, abolish the board of review and transfer its powers, duties and functions to a committee of at least three officers...

The minister did that and the only purpose behind this amendment is to put into the act what the minister has done in accordance with the previous law.

Mr. MCINTOSH: That brings up another point. We have before us here all the acts which apply to your department. However, the other day a reference was made to a regulation, or something, in respect of pensions.

Mr. LALONDE: Actually, I believe the Canadian pension commission has no regulations under the Pension Act.

Mr. MCINTOSH: I think Mr. Mutch said they went by this directive. We can look back in the records and find out; but my question is, have we any directives or regulations applicable to the department which have been tabled or of which you could give us a copy?

Mr. LALONDE: I might clear the air a little if I explained that in the department we work, you might say, with three "Bibles". There are the acts which are passed by parliament and which lay down what we can and cannot do. There are the regulations which are orders in council passed by the governor in council under the authority given him to pass certain regulations under the act.

Then there is a set of rules which we call departmental instructions which are explanations of the terms of both the acts and the orders in council, and which are, you might say, an administrative device to explain to our people in the field exactly what the acts and regulations mean.

Mr. MCINTOSH: That is your interpretation of them. Are those three Bibles availabe to us?

Mr. LALONDE: I would hate to speak in terms of the departmental instructions as regulations. If you were to start reading through all the departmental instructions you would find that there is a tremendous amount of reading. The regulations are all made by order in council and these are available. All we would have to do would be to go to the Queen's printer and order copies for distribution to you. These are official regulations passed by order in council and are available. If you wish to read them all we would be glad to supply them.

Mr. BEECH: Are the regulations made by the Canadian pension commission available?

Mr. LALONDE: I think there was a misinterpretation the other day. There was a misinterpretation of the word "regulation". The Canadian pension commission, being an independent body, use their own terms. We in the department also use our own terms. When we refer to regulations we refer to orders in council. However, I think the other day the deputy chairman of the Canadian pension commission, in speaking of regulations, meant the instructions prepared by the commission itself, rather than by order in council.

Mr. BEECH: Should not the regulations be tabled so that we would have access to those in arriving at our decisions?

Mr. LALONDE: They are not official regulations in the sense that the regulations as we know them are. The regulations are by order in council and are official. Our departmental instructions are certainly not official.

Mr. MCINTOSH: But your officials abide by them?

Mr. LALONDE: Yes; but there is no policy laid down in the departmental instructions; they are just explanations of the administrative process required to implement both the act and the regulations.

Mr. HERRIDGE: I think that is very necessary for the persons out in the field.

Mr. LALONDE: It is really a manual of how to do things, in order to implement the act and the orders in council in a uniform way in the nineteen districts across Canada. That is all it is. There is no policy issued by the department. The policy is contained in the act and in the orders in council.

Mr. CARTER: Would it not be an interpretation of policy?

Mr. LALONDE: There might be interpretation.

Mr. CARTER: There might be room for difference of opinion as to how that policy laid down in the act may be applied. I think that is our trouble in respect of the Canadian pension commission.

Mr. LALONDE: Then it becomes a matter of opinion. If I may use the Veterans Land Act as an example. Administratively they may say under the interpretation of the act, or the orders in council, that a veteran is not

entitled to a second establishment. Then the veteran either comes directly to the minister and says he does not think that is the correct interpretation, or he goes to his member of parliament who raises this question and says he disagrees with the interpretation. When that happens the minister has to be given a specific report explaining why this is the interpretation and sometimes he disagrees and the interpretation may be changed.

Mr. CARTER: That might apply to the Department of Veterans Affairs, which is directly under the minister, but it would not apply to the Canadian pension commission.

Mr. LALONDE: The Canadian pension commission is an independent body and they make their own policy.

Mr. CARTER: Yes. When they interpret policy they are doing something almost on a par with what a court would do.

Mr. LALONDE: They are on a par with a court.

Mr. CARTER: But if we disagree with their interpretion of policy we have no recourse.

Mr. LALONDE: Nobody has, because they are a court of last jurisdiction. Even the minister has no recourse.

Mr. ORMISTON: But you are suggesting there is a certain amount of flexibility in these regulations?

Mr. LALONDE: What regulations?

Mr. ORMISTON: In the manual, your third "bible".

Mr. LALONDE: Those are the departmental instructions.

Mr. ORMISTON: Yes.

Mr. LALONDE: We amend those every week.

Mr. MCINTOSH: Have we not the power to recommend there be a change in interpretation as the commission sees it?

Mr. LALONDE: As the Canadian pension commission sees it?

Mr. MCINTOSH: Yes.

Mr. LALONDE: I am afraid that I must end this discussion as far as I am concerned, because I have no power to speak for the Canadian pension commission.

The CHAIRMAN: We are not quite on clause 11 in this discussion.

Mr. MCINTOSH: We will bring it up later on.

Clause 11 agreed to.

On clause 12—Members of the forces receiving treatment.

Mr. THOMAS: Does this clause at least partly take care of what we were discussing under clause 8?

Mr. LALONDE: This is only where the veteran has dependents.

Clauses 12 and 13 agreed to.

The CHAIRMAN: I neglected to refer to the first recommendation of the Legion on these amendments, which I think would come under clause 1. Before we conclude our discussion of the bill have we any comments?

Mr. HERRIDGE: On what page in the Legion brief?

The CHAIRMAN: On page 2 of the brief and on page 198 in the official record of our proceedings.

Would you like to have it read?

Mr. HERRIDGE: Please.

The CHAIRMAN:

We would like to commend the government for broadening the terms governing the use of re-establishment credits, as provided in this bill. The amendments to the act will be of great benefit to some veterans and their dependents.

We would like to suggest, however, two additional amendments, as follows:

1. That veterans who are still unmarried and have as yet been unable to avail themselves of the use of the credit be now permitted to use the re-establishment credit for the purchase of such items as clothing and personal effects, the payment of medical expenses and the payment of debts incurred for purchase of allowable items which could have been made from the re-establishment credit.

We are convinced that a very large proportion of the re-establishment credit which has not been used to date is credited to unmarried veterans who have been unable to find a use for it within the existing regulations. Also many unfamiliar with the regulations may well have made purchases out of other revenues when, in fact, the credit could have been used.

That is the extent of the recommendation.

Mr. MONTGOMERY: Which brief is that?

The CHAIRMAN: This is a supplementary brief. It is in the official record at page 198.

Mr. BEECH: Could we have a comment on that from the deputy minister?

The CHAIRMAN: Is there any discussion arising from this recommendation?

Mr. HERRIDGE: Mr. Chairman, I would like the secretary of the Legion to elaborate on that in order to refresh the committee's mind on what is behind this.

The CHAIRMAN: Mr. Thompson.

Mr. THOMPSON: Mr. Chairman and members of the committee: there has been for a number of years a strong feeling, as evidenced through resolutions passed at our branches, and provincial and dominion conventions, that the uses to which the single veterans could put their re-establishment credits were rather restricted.

I think the study of the regulations or instructions as the case may be will indicate that there has been a great deal of restriction on the permissible uses to which these credits could be put by single veterans. It seems that quite a number of veterans have remained single and intend to remain that way, and they feel that they have lost out on these re-establishment credits which were provided.

They feel that the time has now passed where there is a chance—many feel that their status is now fairly firm—and they would like to receive the benefits of the re-establishment credits. We make reference to some of them. There are cases where a few years ago a man applied to use his re-establishment credits for a certain purpose but was turned down because the regulations did not permit such a purpose. In many instances they have gone ahead and purchased, but the regulations might now quite possibly cover this type of purchase, yet they were turned down, and quite properly, at that time.

We feel that this money is there. These single chaps have expressed their views several times through resolutions. They feel this money was put there for a purpose and when it was set up no one could foresee that such a large number of them would remain single. They now feel that they should receive

the benefit of these re-establishment credits, and that their right to do so should be determined according to their marital status. That feeling has continued down through the years. The would like to get their full share of re-establishment credits. Does that answer your question?

Mr. HERRIDGE: Yes, thank you.

Mr. BEECH: If a veteran purchased something which he normally would have been able to pay for out of these credits, can he be reimbursed under the act?

Mr. PARLIAMENT: You mean that if he purchased an allowable item under his re-establishment credits and paid for them himself, that he can bring the receipt to us and get it out of the re-establishment credit? Under our interpretation, it has been that way for several years. You are speaking of item one in the Legion brief?

Mr. BEECH: That is right.

Mr. ROGERS: I take it that these suggestions do not live up to the intent of the fund for re-establishment credits. I mean the intent was to assist the veterans to get re-established. Now, whether buying clothes or items like that is going to help them to get re-established, I do not know.

Mr. LALONDE: Perhaps I might say to the committee that first of all we appreciate the intent behind the Legion's suggestion. It might simplify our position with respect to making the credits available to the single veteran. We thought of that too. But we have felt that you could not change a principle with respect to single veterans without changing it with respect to married veterans as well. So we have not agreed to suggest to the minister that we should make available to single veterans something which we did not make available to married veterans.

However, a few years ago we suggested to the minister, and he agreed with our suggestion, and put it to the governor in council, to add this item to the purposes for which the credit could be used, and that is, the purchase of clothing either for the veteran himself or for his dependents, provided that at the time of the application that he makes for the purchase of this clothing, he is without adequate income or assets to meet the costs thereof. He might be in receipt of the war veterans allowance, or he might not be eligible for the war veterans allowance, but his income would place him in the same position as a war veterans allowance recipient.

In these instances we argued that proper clothing for that veteran would be of assistance in re-establishing him. For instance, he might be looking for a job, and if he were not properly clothed, he would not get the job. So we have made it possible to use the re-establishment credits for the purchase of clothing but only in cases where it would effectively assist in the re-establishment of the veteran. But to extend that to say that every veteran could use his credit to purchase clothing, I think it would be contrary to the intent of the act, and it might be a wrong precedent to place in the legislation.

Mr. MCINTOSH: Could not a single veteran use your argument in reverse? You said that there were certain things available for the married veteran which are not available to the single veteran.

Mr. LALONDE: Yes, but it is as a result of this argument that we are now submitting amendments to this committee. Our experience has shown that the major field of complaints from single veterans was over the fact that a great many married veterans used their credits to repair their homes or modernize them, or to purchase furniture for their homes, whereas single veterans who were living with their parents were not able to do that.

We now propose to place the single veteran on a par with the married veteran with respect to the main purposes for the use of his credit. That is exactly the reason we are recommending the amendment.

Mr. McINTOSH: You do allow a single veteran to use his re-establishment credits to purchase clothing?

Mr. LALONDE: If he is in circumstances of necessity, the same applies to a married veteran.

Mr. McINTOSH: And you do allow a single veteran to purchase furniture?

Mr. LALONDE: Yes.

Mr. ROGERS: You would appear to be pretty well covered, Mr. Thompson.

Mr. THOMPSON: There is a certain number of those people who are not in a position to live at home where they could qualify for the purchase of furniture. We have no figures of the number concerned, but I think a great deal of the feeling that is reflected in this resolution coming forward is a result of the former restrictions. Many of those cases might have been taken care of if greater provision for single veterans had been made known to more of them, although there will always be some who undoubtedly are not living at home with their parents, but who are living on their own, let us say, in boarding houses, and they just do not fit into the picture which you propose here. But there are many actually using the money to establish an interest in the home in the full sense of the word. These others are the chaps who are rather outside of realizing the full benefit of the re-establishment credits. They see this as money—as Mr. Parliament has said—provided for their gratuity and which is placed in two categories: one part to be paid in cash, and the other part which is tied up with their re-establishment credits.

Mr. LALONDE: I think you are giving it an interpretation that is not quite in line with the facts. Two benefits were granted: one by gratuity and the other by re-establishment credits.

Mr. THOMPSON: This is an explanation to cover this particular picture. They look on this money as something which they feel they should have in one way or another, and that if the regulations or the act do not permit it, they feel that they have such a right, and they feel that because their marital status or their home environment does not fit them within the regulations, they feel they should not be made to lose out on it completely.

Mr. LALONDE: What we propose to do is this: we have already started on it, but it is going to be a fair sized job: we propose to contact every veteran who has a credit on his ledger sheet. We shall start out with those who have larger credits and eventually take all of them. We propose to explain to them the purposes for which they can use their credits. While the onus is going to be on the welfare services to carry out that work, we sincerely hope that we will be able, with the present staff, to get around to all remaining veterans so that they will have used their credits by September 1962. We think that the outstanding credits are divided 75 per cent to married veterans and 25 per cent to single veterans.

Mr. McINTOSH: What provision have you to stop a single veteran from buying furniture and then reselling it at half price?

Mr. LALONDE: No provision at all.

Mr. McINTOSH: You have nothing now that you did not have before?

Mr. LALONDE: No, and we never did.

Mr. McINTOSH: Yes. I know of a case where you refused permission to a single veteran to buy furniture.

Mr. LALONDE: Not if he was living in an unfurnished room, or anything like that.

Mr. MCINTOSH: I know of a case where you only allowed him to buy a certain amount. That is correct. And I know of cases where veterans purchased furniture and then sold it at half price.

Mr. LALONDE: We prosecuted some veterans who made shady deals with furniture dealers, but we had to have the evidence to secure a conviction. That is the difference. I am sure there are veterans who, at one time or another, pawned their medals, and I am sure there are veterans who at one time or another when they needed the money, resold the furniture which they had secured with their credits. That is inevitable.

Mr. MCINTOSH: Would you reimburse a married veteran for what he had purchased when he was single?

Mr. LALONDE: Yes, it all depends on the conditions under which he was living. Every case is different.

Mr. CARTER: As a matter of principle, is it right that the benefit which the veteran receives in this particular, or the amount, should depend on his marital status?

Mr. LALONDE: That would be a little difficult to administer, because I think it is fair to say that veterans are of the marrying kind, and most of those who were single after the war, married after a few years. So if you are going to base the credit on the marital status at the time of discharge, it would be unfair to some veterans. In fact it might even have discouraged some of them from getting married at a later date. I think the amendment we are going to offer in respect to single veterans will equate the footing. It was a situation which we did not have before.

Mr. CARTER: Should you not have had equal footing right from the beginning? Why do you want it at this late date?

Mr. LALONDE: This is the first time in Canadian history that re-establishment credit has been given as a benefit to returned members of the forces. I think the people who enacted this had a great deal of foresight, because with its deficiencies, it has worked fairly well. We, coming after them, with the experience of fourteen or fifteen years after the war, can claim to be wiser now. Hindsight is always better than foresight. These are things which occurred to us through the benefit of fourteen years of experience in administration. I am sure that at the beginning it was felt that it was sufficient to enable a single veteran to go back to a profession, or business, or to buy a home for himself; but it did not turn out that way. However, only experience could prove that.

Mr. CARTER: Perhaps now that we are so much wiser we should set up a marriage bureau.

The CHAIRMAN: To be administered by Mr. Parliament, of course.

Mr. HERRIDGE: Is it correct to say that regardless of the veterans being notified of the benefits they can obtain, there will still be a percentage of single veterans who will be denied the privilege of buying clothing and the benefits they might obtain? There will still be a percentage of single veterans who will be denied the privilege of buying clothing and things of that sort, because of their circumstances being better than others—veterans who would not be able to take advantage of their re-establishment credits, under those circumstances?

Mr. LALONDE: I do not know that it is possible for a single veteran who is fairly well off not to be able to make use of one of the purposes in the Act between now and 1962. I cannot think of any case where even a single veteran should not be able to use his credit once the Act is amended.

Mr. BEECH: How about medical expenses; what is the feeling about those?

Mr. LALONDE: The payment of medical expenses is nothing more or less than a cash payment, in the long run. Where are you going to place the deadline—medical expenses paid in 1946, medical expenses paid in 1953, or medical expenses paid in 1958? If you pay medical expenses you are going to have to reimburse all medical expenses paid since the war. That, to me, becomes a straight cash payment, and parliament has never intended that the reestablishment credit should be paid in cash.

Mr. ROGERS: Mr. Chairman, I would like to go on record as saying this. I think it has been administered pretty well and, after all, when you are a custodian you look at the situation a bit differently than you do when you are on the outside.

The CHAIRMAN: Have we completed our discussion on this matter?

Some Hon. MEMBER: Yes.

Preamble agreed to.

The CHAIRMAN: Shall I report the bill?

Mr. CARTER: With the recommendation.

The CHAIRMAN: Yes. Bill C-31.

Mr. HERRIDGE: I might mention, Mr. Chairman, a unanimous recommendation.

The CHAIRMAN: Yes, a unanimous recommendation.

You have a copy of Bill C-31 before you. This is an Act to amend the Veterans Rehabilitation Act.

Mr. BROOME: A short explanation, Mr. Chairman.

Mr. LALONDE: The explanation will be very short, Mr. Chairman. Actually, the benefits granted under the Veterans Rehabilitation Act are mostly out of date now. There are still a few veterans who are following courses of education. They are covered by the present act. But since we were going to amend the War Service Grants Act, we decided that this would be an opportune time to tidy up the Veterans Rehabilitation Act, purely from an administrative standpoint, and bring it up to date by eliminating the conditions that have now elapsed because of the time limits. This is what we are attempting to do.

We also had to amend the Act for another reason. We have been paying to veterans what we call compensating adjustments on the strength of an item in the estimates, and it has been pointed out to us that this was not the best way to do it; it should receive parliament's approval. We are now attempting to secure parliament's approval of what we have been doing, through an amendment to this Act. So there is no change in policy; there is no amendment affecting the people who are receiving benefits under this Act.

Mr. CARTER: Mr. Chairman, that brings to mind the fact that the Corps of Canadian (Overseas) Fire Fighters representatives were before us a few days ago. They complained that they had been unjustly deprived of some of these benefits which were available to other veterans and not to them at the time when they needed them. Now these benefits are going out of existence. Should the government at some later time come to the conclusion that the firefighters were unjustly and unfairly dealt with, how could we remedy that situation?

Mr. LALONDE: I think Mr. McGill, who was presenting the brief the other day, Mr. Carter, said that as far as this act was concerned it was only a question of principle, because they realized that the benefits were not available any more and they were not asking for the benefits of university training

to be given to the firefighters at this time. So this bill does not affect the representations of the firefighters, nor the recommendations or the decisions that this committee might make on the question of principle.

Clauses 1 to 5 inclusive agreed to.

On clause 6—Repayment to veteran of allowance etcetera, where veteran receives no benefits from the Veterans' Land Act.

Mr. LALONDE: This is the clause which will enable us to repay the compensating adjustment in cash.

Mr. HERRIDGE: Pardon me, Mr. Chairman. Could the deputy minister inform the committee what would be the number of veterans at the present time who would benefit by this section? Have you any idea at all?

Mr. LALONDE: I could not tell you the exact number at this time, Mr. Herride; I would have to go back and look at our records. For a while I was chairman of the departmental committee dealing with these adjustments; subsequently Mr. Black was the chairman. I think that the average number of cases per year would not exceed 200.

Mr. HERRIDGE: I would not want you to go to any trouble. I was just asking for the sake of getting a rough idea.

Mr. LALONDE: For your information on that question, Mr. Herridge, the average amount of money that we reimburse the veterans each year is about $200,000.

Mr. HERRIDGE: Thank you.

Clauses 6 to 10 inclusive agreed to.

The CHAIRMAN: Gentlemen, before we consider the preamble, there was one query from the Legion. It was a recommendation presented more in the form of a query than a recommendation. The Legion is wondering about the position of the veterans who have spent a long period in hospital, and whether they will be covered by the terms of this act upon their discharge from hospital.

Mr. LALONDE: Under present policy, Mr. Chairman, I can give the Legion the assurance that these cases are covered. I cannot speak for future governments or ministers, but I know that at the moment these cases are all covered.

Preamble agreed to.

Title agreed to.

The CHAIRMAN: Shall we report the bill?

Agreed.

The CHAIRMAN: We are running out of business for the moment. We will have to consider a general report in camera one of these days, and then we have the Veterans' Land Act. Other than that, our work is concluded. We will contact the members of the committee with reference to the general report. Have we a motion for adjournment?

Mr. BEECH: I so move.

Mr. MCINTOSH: When is our next meeting, when this other delegation comes?

The CHAIRMAN: Colonel Baker requested Monday, May 11, so I presume, with the general agreement of the committee, we might follow the precedent established of meeting on Monday afternoon?

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: Monday, May 11.

Mr. HERRIDGE: Mr. Chairman, I must correct that—temporary decisions made without precedent.

The CHAIRMAN: We will adjourn.

The committe adjourned.

INDEX

ESTIMATES OF THE DEPARTMENT OF VETERANS AFFAIRS

1959-1960

No. of Vote	Service	Pages
(S)	Minister of Veterans Affairs—Salary and Motor Car Allowance	11
448	Departmental Administration	11, 347
449	District Services—Administration	35, 37
450	Veterans' Welfare Services (including the former Veterans Insurance Branch)	41-59
	Treatment Services—	
451	Operation of Hospitals and Administration, including authority for payments, during the current and subsequent fiscal years, to Canteen Funds of departmental hospitals in amounts equal to the amounts of commissions received by or on behalf of Her Majesty from pay telephones in such hospitals	41
452	Medical Research and Education	51
453	Hospital Construction, Improvements, Equipment and Acquisition of Land	52
454	Prosthetic Services—Supply, Manufacture and Administration	52
455	Veterans' Bureau	71, 134
456	War Veterans Allowance Board—Administration	134
	WAR VETERANS ALLOWANCES AND OTHER BENEFITS	
457	War Veterans Allowances	143
458	Assistance Fund (War Veterans Allowances)	144
459	Treatment and Other Allowances	52
	MISCELLANEOUS PAYMENTS	
460	Payments to the Last Post Fund; the payment under regulations of funeral and cemetery charges, including the perpetual care of graves where applicable; the cost and erection of headstones in Canada; the maintenance of departmental cemeteries; the maintenance of Canadian Battlefields Memorials in France and Belgium; Canada's share of the expenditures of the Imperial War Graves Commission; and production of Books of Remembrance	145
461	Grant to Army Benevolent Fund	145
462	Grant to Canadian Legion	147
	CANADIAN PENSION COMMISSION	
463	Administration Expenses	231
464	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	251
465	Gallantry Awards-World War II and Special Force	252
	SOLDIER SETTLEMENT AND VETERANS' LAND ACT	
466	Administration of Veterans' Land Act; Soldier Settlement and British Family Settlement	287
467	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	294
468	Grants to veterans settled on Provincial Lands in accordance with agreements with Provincial Governments under section 38 of the Veterans' Land Act and 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	294
469	Grants to Indian veterans settled on Indian Reserve Lands under section 39 of the Veterans' Land Act	296

ESTIMATES OF THE DEPARTMENT OF VETERANS AFFAIRS—*Concluded*

1959–1960

No. of Vote	Service	Pages
	SOLDIER SETTLEMENT AND VETERANS' LAND ACT—*Concluded*	
470	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	296
471	To authorize, subject to the approval of the Governor in Council, necessary remedial work on properties constructed under individual firm price contracts and sold under the Veterans' Land Act and 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	296
	TERMINABLE SERVICES	
472	Veterans Benefits, including Assistance and the training of certain Pensioners under regulations approved by the Governor in Council	68
(S)	War Service Gratuities (Chap. 289, R.S.)	71
(S)	Re-Establishment Credits (Chap. 289, R.S.)	71
473	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	71
487	Protection of security—Soldier Settlement, and refunds of surplus to veterans	297
488	Purchase of land and permanent improvements; cost of permanent improvements to be effected; removal of encumbrances; stock and equipment; and protection of security under the Veterans' Land Act	298

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

RECEIVED
MAY 21 1959
Library of Parliament

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 13

Including Second, Third and Fourth Reports to the House

MONDAY, MAY 11, 1959

WITNESSES:

Colonel E. A. Baker; Judge P. G. McDonagh; Mr. Lucien Lalonde; Mr. F. J. G. Garneau; Mr. Leslie A. Mutch, etc.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

21102-9—1

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.,

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

and Messrs.

Badanai	Herridge	Peters
Batten	Jung	Pugh
Beech	Kennedy	Roberge
Benidickson	Lennard	Robinson
Broome	Macdonald (*Kings*)	Rogers
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

REPORTS TO THE HOUSE

THURSDAY, 30th April, 1959.

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

SECOND REPORT

Pursuant to the Order of Reference of Wednesday, March 4th, 1959, your Committee has considered Bill C-31, An Act to amend the Veterans Rehabilitation Act, and has agreed to report same without amendment.

A copy of the Minutes of Proceedings and Evidence relating to the above is appended hereto.

Respectfully submitted,

WALTER DINSDALE,
Chairman.

THURSDAY, April 30, 1959.

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

THIRD REPORT

Pursuant to the Order of Reference of Wednesday, March 4th, 1959, your Committee has considered Bill C-32, An Act to amend the War Service Grants Act, and has agreed to report same without amendment.

However, in the course of the deliberations upon the said Bill it was unanimously agreed that an amendment to the Bill should be made.

In the view of the Committee the proposed amendment to Clause 5 of the Bill 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 amending Bill C-32 by providing that

> "when such member is unmarried and has no dependents, that member's re-establishment credit shall be held and made available for his re-establishment whenever he may be released from hospital within twelve months of such discharge".

A copy of the Minutes of Proceedings and Evidence relating to the above is appended hereto.

Respectfully submitted,

WALTER DINSDALE,
Chairman.

21102-9—1½

THURSDAY, 30th April, 1959.

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

FOURTH REPORT

Pursuant to the Order of Reference of Friday, February 13, 1959, your Committee has carefully considered items 448 to 473 inclusive and Items numbered 487 and 488 as listed in the Main Estimates of 1959-1960, 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 and a large number of officials of the Department, namely, Mr. Lucien Lalonde, Deputy Minister; Mr. F. T. Mace, Assistant Deputy Minister; Mr. T. D. Anderson, Chairman of the Canadian Pension Commission, and Mr. Leslie A. Mutch, Deputy Chairman; Mr. F. J. G. Garneau, Chairman, War Veterans' Allowance Board; Mr. G. H. Parliament, Director-General, Veterans Welfare Services; Mr. C. F. Black, Secretary of the Department; Mr. T. J. Rutherford, Director, Veterans' Land Administration; Dr. John N. Crawford, Director-General, Treatment Services; Mr. P. E. Reynolds, Chief Pensions Advocate; Mr. R. Bonnar, Assistant Secretary of the Department.

Your Committee is grateful to the Minister and his officials for their valuable 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.

MINUTES OF PROCEEDINGS

House of Commons, Room 112-N.

MONDAY, May 11th, 1959.

The Standing Committee on Veterans Affairs met at 3:30 o'clock p.m. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Beech, Dinsdale, Fane, Forgie, Herridge, Jung, Kennedy, McEwan, MacRae, Matthews, McIntosh, Montgomery, Ormiston, Pugh, Roberge, Rogers, Speakman, Webster, Weichel, Winkler.

In attendance: From the Department of Veterans Affairs: Honourable A. J. Brooks, Minister of Veterans Affairs; Mr. Lucien Lalonde, Deputy Minister; Mr. F. T. Mace, Assistant Deputy Minister; Mr. G. H. Parliament, Director General Veterans Welfare Services; Mr. C. F. Black, Secretary of the Department.

From the Canadian Pension Commission: Mr. T. D. Anderson, Chairman; Mr. Leslie A. Mutch, Vice-Chairman.

From the War Veterans Allowance Board: Mr. F. J. G. Garneau, Chairman.

From the Canadian Legion: Mr. D. M. Thompson, Director, Service Bureau; Mr. M. MacFarlane, Service Officer.

From the National Council of Veteran Associations in Canada: Col. E. A. Baker, Chairman.

From the Canadian Paraplegic Association: Mr. Ken Langford; Mr. Andy Clark.

From the Sir Arthur Pearson Association of War Blinded: Mr. W. Dies; Mr. F. Woodcock.

From the War Amputations of Canada: Mr. A. Piper, Mr. W. Brown, Mr. R. Turner.

From the War Pensioners of Canada: Mr. John Black and Judge F. G. J. McDonagh.

From the Army, Navy and Air Force Veterans in Canada: Mr. J. P. McNamara, Mr. J. P. Nevins.

From the Hong Kong Veterans: Captain Lionel Hurd.

From the Canadian Corps Association: Mr. E. J. Parsons.

At the invitation of the Chairman, the Minister welcomed the delegates of the National Council of Veteran Associations in Canada.

Colonel E. A. Baker, Chairman of the National Council, thanked the Minister and the Members of the Committee for their hearty welcome.

Judge F. G. J. McDonagh introduced the members of the delegation, whereafter he proceeded to read a brief on behalf of the National Council of Veteran Associations in Canada. At the conclusion, the Chairman thanked Judge McDonagh for the presentation and asked Colonel Baker for his comments.

It was agreed that the Committee would review the brief and discuss each recommendation separately. During this general discussion on the brief the following were heard:

Colonel E. A. Baker.
Judge F. G. J. McDonagh.
Mr. J. P. Nevins.
Mr. John Black.
Mr. W. Dies.
Mr. F. Woodcock.
Mr. A. J. Parsons.
Mr. Lionel Hurd.
Mr. Leslie Mutch.
Mr. F. J. G. Garneau.
Mr. Lucien Lalonde.

At the conclusion, the Chairman thanked Colonel Baker and his associates for their attendance and contribution to the Committee's work. Colonel Baker in turn thanked the Chairman and Members of the Committee for their very kind and patient hearing.

At 5:20 o'clock p.m. the Committee adjourned to the call of the Chair.

Antoine Chassé
Clerk of the Committee.

EVIDENCE

MONDAY,
May 11, 1959.
3:30 p.m.

The CHAIRMAN: Gentlemen, we have a quorum. Shall we proceed to the business at hand? This is rather a special meeting of our committee in that we are welcoming members of the National Council of Veteran Associations in Canada into our midst. Fortunately, they are led by their chairman, Colonel Eddie Baker. We understood, Colonel Baker, that you were hors de combat earlier and not able to appear. We are very pleased it has been possible for you to come before us this afternoon.

This is the last group to appear before the Standing committee. It looks as if you will have the last word here this afternoon. We have some legislative matters to come before us, but so far as presentations from veterans groups are concerned, this is the final presentation for this current session.

The minister will be with us. In fact, here he comes through the door. He was delayed by a long-distance call, but is making an entry at an opportune time.

Colonel Brooks, I think it would be appropriate if you would welcome to our committee the members of the National Council of Veteran Associations in Canada. We are happy you are with us this afternoon. I was explaining this is the last representation we have to hear, and that we are looking forward to a profitable meeting with the delegation which is before us.

Hon. Alfred BROOKS (*Minister of Veterans Affairs*): Mr. Chairman, I am very happy to be here. Although I cannot stay very long. I am particularly happy to welcome the National Council of Veteran Associations in Canada. They are no strangers to me. I know most of the delegation individually. Of course, we all know of the work which the national council has been doing. For years they have attended practically all the meetings of our veterans affairs committee. They have rendered great service to us in the advice they have given.

This afternoon I am particularly pleased to welcome my good friend Colonel Baker, whom I have known for many years. He is, I am sure, well known to all of you, if not personally, certainly by reputation. Colonel Eddie Baker is one of our outstanding Canadians, a man who has devoted his life to his comrades. Ever since he returned from the first world war, Colonel Eddie Baker has been working on behalf of those who need the assistance and help of organizations and governments. We are indeed very proud to have him here again today.

I might say that Colonel Baker not only has national recognition as an outstanding man but he also has international recognition. His life has been an example of what men with a great affliction circumstances.

Colonel Baker, we are indeed very proud to welcome you. I am also very pleased to welcome my good friend Judge McDonagh, who has also been giving very great service to veterans across Canada.

To all members of this delegation, may I say we are very pleased indeed that you are here with us. We have already had Colonel Baker some of your

representatives, Colonel Baker, here previously this session. Possibly there will be some repetition in your submission. That is one thing we do get in the veterans affairs committee, so we do not mind that.

I wish also to extend a very hearty welcome on behalf of the committee. I can assure you we have a very good committee, one which pays very close attention to representation. They will not agree with everything you present in your brief. I am sure you are not altogether expecting that. We will be pleased however to listen to and study your representations and give them whatever consideration we feel we can.

Mr. E. A. BAKER (*Chairman, National Council of Veteran Associations in Canada*): Mr. Chairman, Mr. Minister and gentlemen; it is very heartening to have a welcome from this committee. Some of us have met with many committees down through the years. Generally speaking, I would say we have found a broad area of mutual understanding. Also we have realized that the committees were impressed, but that perhaps when they got back to bat on the budget they might not find it possible to do all the things they would have liked to do. However, we realize that is inevitable.

We will not take much of your time today. I think, in order to expedite the proceedings, that I might first introduce the vice-chairman of our national council, Judge McDonagh, and have him introduce and identify the members of the delegation present. Then we will get down to business.

Mr. F. G. MCDONAGH (*Vice-Chairman, National Council of Veteran Associations in Canada*): Mr. Chairman, Mr. Minister, and gentlemen, from the Canadian Paraplegic Association we have Ken Langford and Andy Clark; from the Sir Arthur Pearson Association of War Blinded we have W. Dies and F. Woodcock.

Mr. HERRIDGE: Would they mind standing up?

Mr. MCDONAGH: Andy, of course, being a paraplegic, cannot stand up. From the War Amputations of Canada we have A. Piper, W. Brown, and R. Turner; from the War Pensioners of Canada we have John Black and myself; from the Army, Navy and Air Force Veterans in Canada we have J. P. McNamara and J. P. Nevins; from the Hong Kong Veterans, L. Hurd; from the Canadian Corps Association, E. J. Parsons. That, gentlemen, is the delegation.

Mr. BAKER: Mr. Chairman, may Judge McDonagh proceed with the brief?

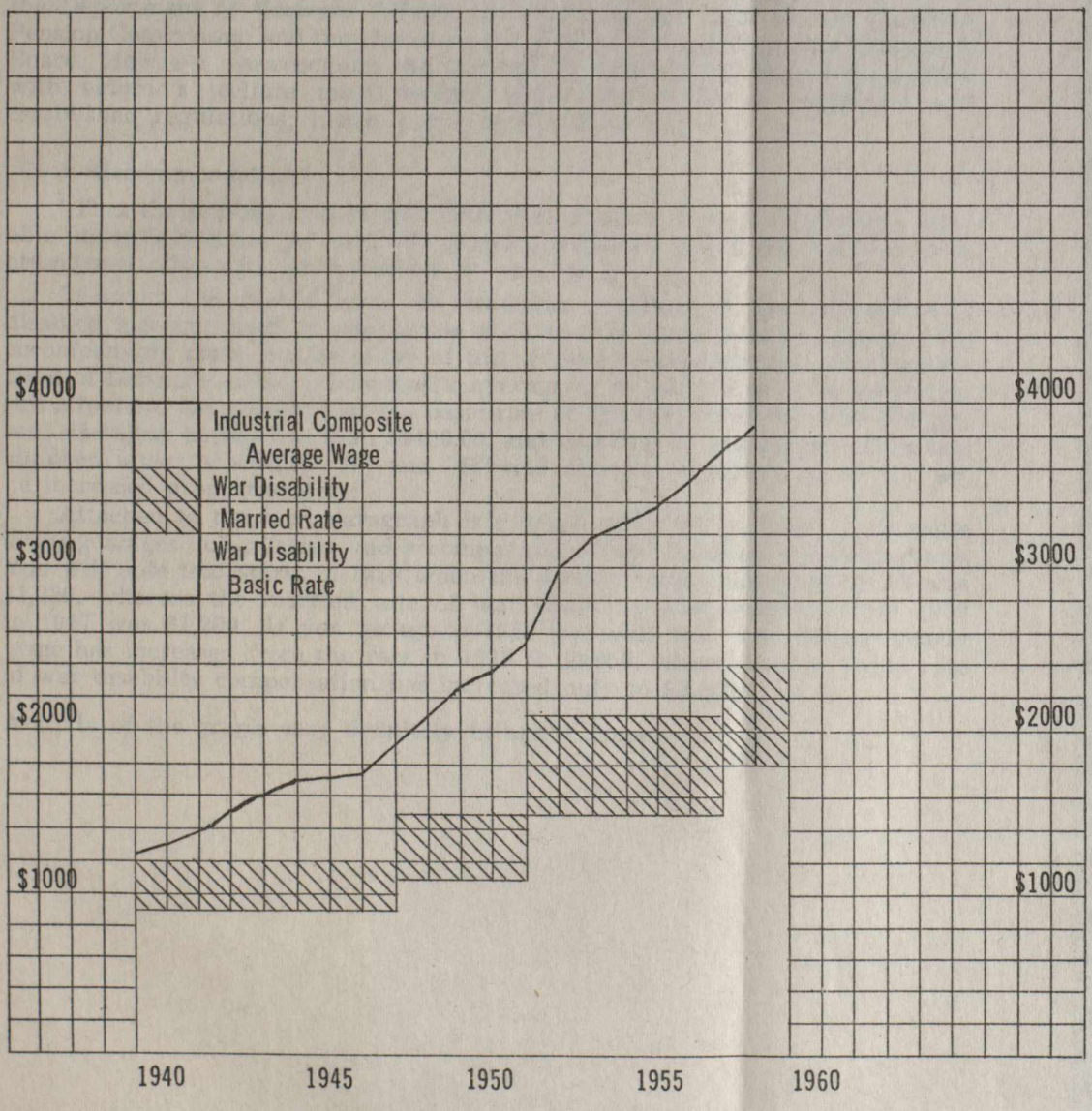
The CHAIRMAN: Yes. We are ready to hear the brief.

Mr. MCDONAGH: —

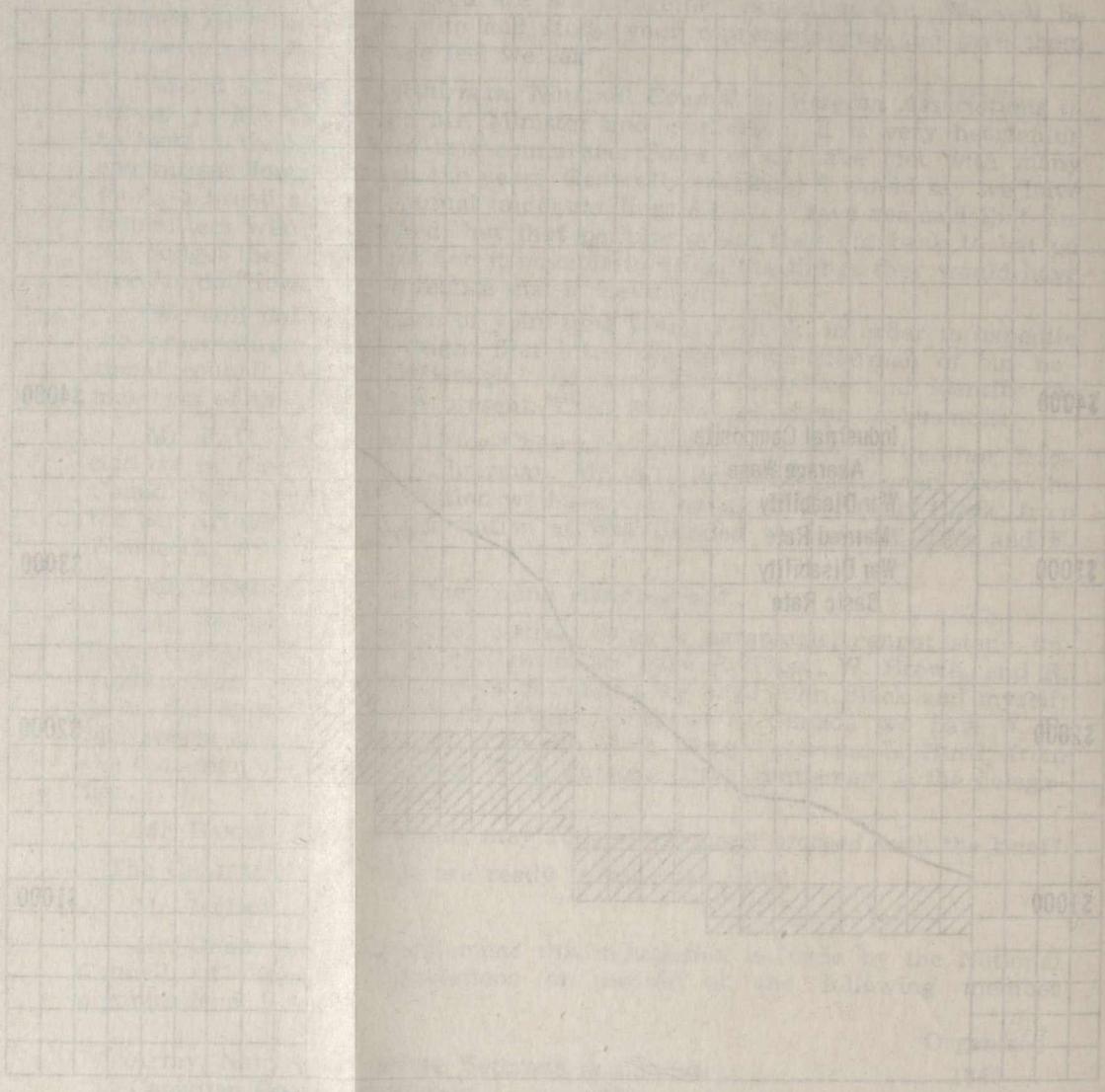
Mr. Chairman and gentlemen: this submission is made by the National Council of Veteran Associations on behalf of the following member organizations:

	Organized
Army, Navy & Air Force Veterans in Canada	1840
Canadian Corps Association	1934
Canadian Council of Industrial War Veterans Assoc.	1952
Canadian Paraplegic Association	1945
Hong Kong Veterans Association	1946
Sir Arthur Pearson Association of War Blinded	1920
The War Amputations of Canada	1920
War Pensioners of Canada	1922

We are grateful for this opportunity to meet with you for the purpose of presenting resolutions affecting pensioners and their dependents, hospital treatment and war veterans allowance recipients.



A COMPARISON OF WAR DISABILITY COMPENSATION AND THE INDUSTRIAL COMPOSITE AVERAGE OF WAGES AND SALARIES
1939 – 1959



Some of the representations being presented herewith have been included in presentations by this council in previous years. Some have been included in previous presentations by member organization of this council to this committee. We emphasize the fact that any resolutions presented in the name of this council carry the unanimous agreement of all member organizations. We have enjoyed the confidence and cooperation of the minister and staff of the Department of Veterans Affairs, the chairman and staff of the Canadian Pension Commission and the chairman and staff of the War Veterans Allowance Board. However, we recognize the fact that the department and all concerned with veteran's welfare must operate within the limits of legislation and established regulations; hence, our recommendations.

1. Recommendation:

"That the present rate of war disability compensation (i.e. pension) payable under Schedules "A" and "B" of the Canadian Pension Act together with attendance allowance be increased by one third".

Comment: In recent years the economic condition of the seriously war disabled has worsened in comparison with that of their fellow citizens. The accompanying chart is illustrative of this trend as compared with the Department of Labour's industrial composite average of wages and salaries. To rectify this situation, we suggest that the basic rate of the single veteran with 100 per cent disability be not less than $2400.00, and that the allowances for wives and children under schedules "A" and "B" and attendance allowance of the act be increased proportionately.

Attached to the next paragraph is a graph with the industrial composite average wages and salaries, and a comparison of war disability compensations. You will note that starts in 1939 when the weekly wage multiplied by 52 was $1,220, whereas the married rate of war disability compensation from 1939 to 1947 was $1,200. If you go up to 1958 you will find the average yearly wage has increased from the rate in 1939 to $3,650, whereas the married rate of war disability compensation has increased only to $2,400.

A study of the graph very definitely brings it home.

Department of Labour

Industrial Composite Average Wages and Salaries

(Labour Gazette Table C-1)

	Average Weekly Wage	Yearly Wage (weekly wage, times 52)
1958	$70.20	$3650.
1957	67.70	3520.
1956	64.18	3340.
1955	60.87	3160.
1954	58.88	3060.
1953	57.30	2980.
1952	54.13	2810.
1951	49.61	2480.
1950	44.84	2330.
1949	42.96	2230.
1948	40.06	2080.
1947	36.19	1880.
1946	32.48	1690.
1945	32.04	1660.
1944	31.85	1650.
1943	30.79	1600.
1942	28.62	1490.
1941	26.65	1380.
1940	24.94	1290.
1939	23.44	1220.

War Disability Compensation

	Basic Rate	Married Rate
1957 - 1959	$1800.	$2400.
1951 - 1957	1500.	2040.
1947 - 1951	1128.	1500.
1939 - 1947	900.	1200.

2. Recommendation:—

"That on the death of a married pensioner, the pension, including wife's allowance, be continued for a period of one year at married rates".

Comment:—The economic adjustment that must be made by the widow on the death of her husband requires some time to complete. A sharp reduction in income on first of the month following the death of her husband, leaves the widow facing a financial crisis before she is able to make necessary adjustments. For this reason we recommend continuation of the pension at married rates for a period of twelve months.

3. Recommendation:—

"That widows of the high disability imperials with 20 years' residence in Canada be granted a widow's pension".

Comment:—The Canadian widow whose husband served with the British rather than the Canadian forces is placed in a most unsatisfactory position. Some of these women are Canadian by birth; others have made Canada their home for many years. We would suggest that 20 years' residence in Canada should enable them to qualify for widow's pension on the same basis as widows of disabled Canadian servicemen.

4. Recommendation:—

"That the portions of sections 20, 21 and 22 of the act which relate to the death of a pensioner, classes 1 to 11, caused by the negligence of some person, be deleted from the act."

Comment:—When a pensioner, classes 1 to 11, is killed as a result of the negligence of some person, Canada receives the damage settlement or judgment of a civil court, because under these sections the widow is required to elect if she will keep the amount of the settlement or judgment and suffer a reduction in pension which she has as of right under the act, or turn the whole settlement or judgment over to the Receiver General of Canada. If she turns the money over, there is no provision whereby the pension commission may allow to her what is known as special damages; i.e., hospital, funeral, ambulance charges or damages to an automobile in which the pensioner may have been riding.

5. Recommendation:—

"That section 4 of the Children of War Dead (education assistance) Act be broadened to include children of war disabilities, classes 1 to 11, regardless of the cause of death of their fathers".

Comment:—In order to clear any obscurity and inadequacy in the application of this section of the act, we believe that a specific amendment is essential.

6. Recommendation:—

"That action be taken to emphasize the responsibility of the Canadian Pension Commission in their administration of Section 70 of the Pension Act, so that all reasonable inferences and presumptions shall be drawn in favour of any applicant for pension".

Comment:—The benefit of the doubt section, No. 70 in the Pension Act, was incorporated nearly 30 years ago to overcome difficulties of applicants for compensation in respect to disabilities related to war service. The onus of proof was on the claimant, while the government of Canada was custodian of records. Frequently records were missing due to enemy action, accidents in transit, etc. While this clause appeared to operate fairly well in earlier years, it would seem that the escape hatch is still open.

7. Recommendation:—

"That the term 'War disability compensation' be substituted for the word, 'pension', wherever the latter appears in the present Pension Act which provides compensation for the war disabled of Canada".

Comment:—We have been making this recommendation for a number of years and the further away in years we get from the brutal impacts of war, the more important we feel is the necessity of the change from 'pension' to 'war disability compensation'. Public understanding in respect to the war disabled is a highly important factor. In the public mind there is a clear understanding of the term 'compensation', while the term 'pension' is commonly applied to old age security, superannuation allowances, etc.

8. Recommendation:—

"That war disability compensation cases in classes 1 to 11 be afforded treatment and hospitalization without charge by the Department of Veterans Affairs for any condition."

Comment:—While hospitalization costs are now covered for most veterans by the department and/or provincial hospital insurance plans, this does not apply to veterans in the province of Quebec, nor do the insurance plans cover

the costs of medical and surgical fees. We greatly appreciate the general improvement in hospitals provided and maintained by the Department of Veterans Affairs and the present extent to which the benefit of the doubt is being applied in treatment cases. This recommendation is intended to aid substantially in closing the gap for serious disability cases where hospitalization and treatment is required for conditions which cannot be directly related to war service.

9. Recommendation:—

"That the present war veterans allowance permissible income of male and female recipients and orphans be increased as follows:—for single recipients from $1,080. per annum to $1,440.; for married recipients from $1,740. per annum to $2,000."

Comment: While the question of permissible income has been the subject of various recommendations, it must be fairly obvious that war veterans allowance at current rates affords a very limited level of subsistence. No provision is made for emergency or extras. The provision for supplementary income from small pensions or casual earnings is so limited as to be generally inadequate. Special assistance in cases of emergency may be obtained for second war servicemen from benevolent funds for first war ex-servicemen, the canteen fund of Ontario is about the only source available in that province, but no such source is available in other provinces. We strongly recommend the higher level for permissible income.

10. Recommendation:

"That Item 4 under schedule A and item 4 under schedule B of the War Veterans Allowance Act be amended to read, "blind war veterans allowance recipient, or married veteran with a blind spouse".

Comment: This resolution seeks to compensate the acknowledged added cost with respect to blindness, for blind war veterans allowance recipient, on the same basis as war veterans allowance recipient with blind spouse.

11. Recommendation:

"That the war claims regulations be amended to provide for the payment of $1.50 per diem per man for forced slave labour by the Japanese from the war claims fund to the Hong Kong ex-POW's".

Comment: This resolution was presented, accompanied by substantial authoritative detail and references to the Geneva Convention of 1929 which Japan signed and which outlined in certain detail the treatment of prisoners of war. The full text will be found in the proceedings of this committee dated March 9, 1959, commencing on page 88. Since 50 cents per day only has been allowed to date, this request is for an additional $1 per day to be paid from Japanese funds held by Canada.

In regard to that recommendation, Captain Hurd has an explanation to give, if the committee will permit.

12. Recommendation:

"That Remembrance Day be made a statutory holiday."

Comment: While the subject of this resolution has been discussed on many occasions, it was our conclusion that it should be drawn to the attention of this committee and the government of Canada. Those who survived service in two wars and their children are not likely to forget. Likewise, those who lost a relative or friend are not likely to forget. Certainly those who are disabled have a daily reminder. The intent of this resolution is that, through public recognition of a given day, Canadians now and henceforth, who may

not otherwise be aware of the services and sacrifices in two wars, shall be reminded at least annually. This would apply particularly to youth in schools.

13. Recommendation:

"That the principle of veterans' preference be retained for employment in the Civil Service of Canada."

Comment: Since periodic reviews of the Civil Service Act of Canada occur, we believe the members of this committee and the government of Canada may be reminded of the loyal and effective service rendered in times of war and peace. It is our earnest hope that those ex-servicemen and women who may still qualify for positions in the Civil Service of Canada may be afforded the opportunity through the veterans' preference provision.

Conclusion

We conclude this presentation with a very sincere expression of gratitude for this opportunity to officially meet and become acquainted with the members of this committee.

Throughout the years the member organizations of this council have endeavoured to serve their members faithfully and to cooperate with the Department of Veterans Affairs, the Canadian Pension Commission, the War Veterans Allowance Board and all concerned with the welfare of ex-servicemen and their dependents. We have recognized our responsibilities as veterans and as citizens. We feel certain that you will give due consideration to our recommendations and any other recommendations calculated to relieve the problems of ex-servicemen and their dependents.

The CHAIRMAN: Thank you very much, Judge McDonagh, for your presentation. Colonel Baker, have you any supplementary words to add?

Mr. BAKER: Well, Mr. Chairman and gentlemen, I think from this point on I would prefer, with the agreement of your committee, sir, simply to have questions asked, possibly taking the resolutions in order. There are one or two statements to be made and we would like to have our representative who is particularly interested make his statement as we come to the resolution in question. If that is in order, we might take the brief, resolution by resolution.

The CHAIRMAN: That sounds like a very good procedure, Colonel Baker. In regard to the supplementary statements, I think if the gentlemen concerned would refer to the specific recommendation, it perhaps would be the more orderly way of proceeding.

Mr. BAKER: Would you like to have these statements at this time?

The CHAIRMAN: I think it would be better to go along item by item. Gentlemen, that brings us to recommendation No. 1, which you have before you in the brief.

Mr. MCINTOSH: Before you come to recommendation No. 1, may I ask two questions?

The CHAIRMAN: Yes, proceed, Mr. McIntosh.

Mr. MCINTOSH: I am wondering why the Canadian Legion does not belong to this organization.

Mr. BAKER: Do you want me to comment?

The CHAIRMAN: Yes, you are the expert.

Mr. BAKER: In 1930 we had what was known and often referred to as the "big five": The Canadian Legion; the army and navy veterans, as they were then; the war blinded; the war pensioners and the war amputees. As a matter of fact that group sat in at the presentation of the original War Veterans Allowance Act during that session of parliament. That group carried on for several years, almost to World War II. Then early in World War II we

endeavoured to reorganize the group and get it functioning again for purposes of a united war effort. At that time the other organizations who were in or have since come in managed to establish the group set-up, but the Canadian Legion at that time felt they could not second their resolutions as passed at conventions to any form of compromise in such a set-up. We have carried on as a national council, but we made certain stipulations to our members. They are as follows: (1) We wanted no more public controversy between any member organization of our council; (2) We wanted no public controversy between any member organization of our council and the Canadian Legion; and (3) We would cooperate with the Canadian Legion whenever we could on their approach to us or our approach to them. Now, that is the situation.

Mr. McINTOSH: My second question, Mr. Chairman, is in regard to the Canadian Corps Association; what is that?

Mr. McDONAGH: Well, there is a representative of it here. I happened to sit in. You may remember in 1934 when Toronto was celebrating its one hundredth birthday there was a grand veterans reunion in Toronto; the Canadian Corps Association grew out of that.

The CHAIRMAN: Any further general questions on recommendation 1, to do with increase in pensions, and so on?

This seems to parallel recommendations we have had from other veterans' groups and we have had fairly comprehensive discussions.

Mr. BAKER: With your permission, Mr. Chairman, I would like to say a word.

The CHAIRMAN: Certainly.

Mr. BAKER: I do not want to delay the committee, but some of us, gentlemen, have been in the picture from fairly early days.

Our first Canadian blinded soldier to return to Canada arrived back in March, 1916,—A. G. Veitch of Nova Scotia,—and was placed on the old South African rate of $22 a month blindness disability. When I came back to Canada there was no Pension Act in Canada yet. It eventually came into force in September, 1916. At that time the private's rate was $50 a month and I, as a lieutenant, received $75. They were all adjusted within the succeeding year or so to my level, and we all carried on at that rate until, I think, 1947.

Mr. McDONAGH: Until 1948.

Mr. BAKER: So I do not want you to think we have been a griping crowd, too seriously, or that the pensions were overdone, certainly in the earlier years.

Mr. HERRIDGE: Colonel Baker, is it correct to say that all veterans' organizations are unanimous in this recommendation with respect to the increase in disability pensions?

Mr. BAKER: In so far as I am aware, sir.

The CHAIRMAN: I think, Colonel Baker, comments such as those you have just made are very helpful. There are many new faces around the table here. It is always helpful to get some of the background that men such as yourself can supply.

Mr. BAKER: I appreciate that, sir. I recognize the fact that some members in this committee probably served during the same period as my sons.

The CHAIRMAN: That is right.

Mr. F. WOODCOCK (*Sir Arthur Pearson Association of War Blinded*): Mr. Chairman, may I add something?

The CHAIRMAN: Yes.

Mr. WOODCOCK: I think there is one point, Mr. Chairman and gentlemen, that has not been brought out here, and that is that any resolution or recom-

mendation under the name of the National Council of Veterans' Associations must bear the support of all the member organizations. Otherwise a resolution is not put forward under the National Council's name.

The CHAIRMAN: Thank you, Captain Woodcock.

I hope, Colonel Baker, too, you will have an opportunity to meet the men following the committee this afternoon. They are not all as youthful as you indicate; there are even a few bald heads around the table here.

Mr. HERRIDGE: That is not an indication of age.

Mr. WEICHEL: It is an indication of high living.

The CHAIRMAN: That is recommendation 1. We pass on to recommendation 2.

Mr. MCINTOSH: While talking about the resolutions, Mr. Chairman, some of these resolutions I recognize, but there are one or two regarding which I may have missed the meetings; or they may be new resolutions. I wonder if Colonel Baker could point out which ones are resolutions that have not been presented by other organizations. I think the last one is No. 13.

Mr. BAKER: Yes.

Mr. MCINTOSH: Probably I should wait until we come to No. 13. I wonder what prompted that resolution?

Mr. MCDONAGH: That is the one on the civil service.

The CHAIRMAN: I think, proceeding in an orderly way, if we have considered the recommendation earlier then it is just a matter of drawing your attention to it and passing on.

Recommendation No. 2; have we any questions?

Mr. ROGERS: Mr. Chairman, on No. 2, on the death of a married pensioner the widow now gets one month's pension, is that right?

Mr. MCDONAGH: She gets paid for the current month, the month of death: if he dies on the second she gets the balance of the month; and if he dies on the 25th she gets the balance of the month also.

Mr. HERRIDGE: Colonel Baker, has your group had personal experience of hardship caused by the failure of the pension being continued for some period?

Mr. BAKER: Yes, we definitely know of instances. Where there are house commitments and mortgages to be paid, or other adjustments, the widow is left pretty flat, and all the lady got was often completely absorbed. They are placed in the position of a forced draft adjustment, which is often expensive from the standpoint of any reserves.

Mr. WEICHEL: Mr. Chairman, is that a question under the 50 per cent we are now talking about?

Mr. BEECH: It says, "on the death of married pensioner". I think that is widows who would normally be entitled to a pension after the death of the husband.

Mr. MCDONAGH: This resolution, if I may explain it, includes all married pensioners. The presentation of the Sir Arthur Pearson Association brief dealt with 100 per cent pensioners, and I believe class 1 to 11. The matter was discussed at the national council meeting, and it was decided that we should present it to this committee in this form.

Mr. WEICHEL: As one of the 80 per cent pensioner myself, I understand, if anything happened to me, my wife would receive $115 a month, and that is why I am asking this question.

Mr. MCDONAGH: May I answer that?

The CHAIRMAN: Yes.

Mr. McDONAGH: She would, but she would not receive your pension for a year.

Mr. WEICHEL: No, that is right.

Mr. McDONAGH: Whereas under the war veterans allowance, I believe the recipient, or the widow, has the continued sum for a year.

Mr. BEECH: This is something new, and I do not think we have seen this before, including all the married pensioners. This is something new.

The CHAIRMAN: The Sir Arthur Pearson presentation had a recommendation along these lines, I believe, Captain Woodcock?

Mr. WOODCOCK: Yes, we did, Mr. Chairman, and I think I pointed out to the committee at that time this resolution was actually born in the homes of some of our own widows. It was our feeling it should have been passed on to the pensioner, plus the helplessness allowance; and when it was suddenly reduced—and if I recall the figures they were suddenly reduced by the sum total of $2,000—it was a very drastic cut for a young widow to attempt, to which to adjust herself. That is the reason for that, Mr. Chairman.

The CHAIRMAN: Any further questions on recommendation No. 2? Can we proceed to recommendation 3, the widows of imperials with high disability?

Mr. HERRIDGE: Mr. Chairman, would Colonel Baker elaborate a little more on that? I do not think the committee are very well informed on these circumstances.

Mr. BAKER: May I ask Mr. Piper to comment on this?

The CHAIRMAN: Yes, Mr. Piper?

Mr. A. PIPER (*War Amputations of Canada*): I do not think that I am conversant with it, either, although it was included in our brief. Our former honorary dominion secretary, Mr. Blatchford, is present.

Mr. BAKER: Actually, Mr. Chairman and gentlemen, I think that this was intended to cover a group of widows who, either being Canadian born or having been in this country for 20 years, are widowed by the death of their husbands who happened to be on imperial pension. Obviously they are cut off now, and it does seem a very definite hardship. I think we make certain provision for the widows of ex-allied members, residents of Canada. I am not sure how far that goes; I am not too familiar with it. Do you know Judge McDonagh?

Mr. McDONAGH: That is under the War Veterans Act, if they have been resident in the country for ten years.

Mr. BAKER: But not in the case of widows of pensioners.

Mr. HERRIDGE: Could Colonel Baker or some other witness tell us, would not some of these widows be pensioned under the imperial pensions act? I am trying to get the situation clear.

Mr. McDONAGH: That is right. They are pensioned in the higher brackets of imperial pensions, but because of the nature of the service of their husbands, I presume from what the war amps told us, they did not come under the supplemental rates under the Canadian pension commission.

Mr. HERRIDGE: Could the encyclopedic Mr. Mutch give us that information?

Mr. MUTCH: I cannot answer that question, Mr. Herridge, as to what the reason for this resolution is, without more information.

Mr. HERRIDGE: You are not acquainted with the terms of the act?

Mr. MUTCH: I am not sufficiently sure of what is being asked for, to speak off the cuff. I am not certain yet what is being asked for. If it is supplementation of the Imperial widows' pension there is provision to supplement the imperial pensioners who were residing in Canada previous to their service; but

at the present time unless that condition is fulfilled there is no provision under the Canadian Pension Act to supplement the pension either of the husband or the widow.

Mr. HERRIDGE: Thank you.

Mr. FORGIE: Is there a provision in the Pension Act to pension the widow of a Canadian serving in the British forces during the war and who was killed in action?

Mr. MUTCH: If the pensioner, during his life-time, was entitled to supplementation to the Canadian level, then his widow would be entitled to the supplementation to the Canadian level.

Mr. HERRIDGE: What do you mean by that?

Mr. MUTCH: Those who served with the allied or British forces who were pensioned with the British or allied forces, and who returned to Canada after their service. They are entitled to have that pension paid by the British or allied powers supplemented to the Canadian rates while they reside in Canada. If they go back to, say, Britain or the United States, or anywhere else, that supplementation ceases.

I think that the suggestion is that those widows of pensioners who are, in their lifetime, not eligible to supplementation, but who have lived in this country for 20 years or more, should be treated as though their husbands' pension in his lifetime had been supplemented. If that is what is being asked for, then, no provision exists in our act, at the moment, to permit us to do that.

Mr. BAKER: I was going to suggest, Mr. Chairman, we would be pleased to have the war amps, who presented this resolution to us, forward a supplementary statement to you, for the information of the committee.

Mr. HERRIDGE: I think that would be most helpful, to make it clear to me.

The CHAIRMAN: I think that would be the best way of getting the problem cleared up, in view of the fact we have no spokesman for this group here.

Mr. ROGERS: What is meant by "high disability, imperials with 20 years residence"? What does that mean?

Mr. MCDONAGH: Clauses 1 to 11 under the Canadian Pension Act.

The CHAIRMAN: Are there any other questions on recommendation three? If not, let us move on to recommendation four. This was considered at an earlier meeting. Are there any further questions?

Mr. HERRIDGE: It is a very similar recommendation, and a very sensible one too.

Mr. MCDONAGH: We think so.

The CHAIRMAN: Recommendation four suggests that the portions of sections 20, 21 and 22 of the act which relate to the death of a pensioner, classes 1 to 11, caused by negligence of some person, be deleted from the act.

Mr. WOODCOCK: May I ask a question?

The CHAIRMAN: Yes, you may.

Mr. WOODCOCK: I wonder, in regard to this resolution, how far those of us who are in the major disability groups are wards of the state. I wonder as to myself or others that I could point out here, who are 100 to 200 per cent disabled and receiving 100 per cent pension, if, for instance, we became involved in a civil accident and lost both legs, what this legislation would do to the likes of us? Does it do the same thing as it does to the widow in this case? I would like someone to answer that.

The CHAIRMAN: That is a legal question, and we have some legal men here today.

Mr. McDONAGH: There is no question, I believe. The chairman of the commission will agree with me, that under the provisions of the act, if Captain Woodcock should lose both legs as a result of negligence, let us say, of a drunken driver, and was successful in maintaining an action for, let us say, $30,000 damages, he would have to elect whether he would accept the gross award and take a reduction in pension, or turn the whole matter over to the receiver general of Canada and continue with his pension. I believe that is what the law says.

Mr. HERRIDGE: Might we have a concrete case?

Mr. McDONAGH: Yes, I have a concrete case. There was an 80 per cent pensioner who served with me in the Canadian corps battalion of cyclists in the first war. When he was in his little Austin car coming down from Barrie, he had to stop to adjust something at the back of his car. He got it fixed just as a sander passed his car, throwing up some dirt. He went to the side of his car, when he was immediately killed by a car which was following the sander.

His wife was sitting in the car at the time. That man was an 80 per cent pensioner. The matter was turned over to a lawyer who also was a member of the same battalion, and he acted for the widow. Finally the insurance company settled the claim for $1,500.

As of right, then, the widow was entitled to receive $115 per month. The matter had to be drawn to the attention of the pension commission under these sections, and the widow had to elect whether she would turn the $1,500 over to the receiver general of Canada or take a cut in her monthly pension.

She turned the $1,500 over to the receiver general of Canada and then her lawyer made a request of the Canadian Pension Commission for special damages amounting to somewhere in the neighbourhood of $800, because the body of my friend had to be taken by ambulance from the scene of the accident to a hospital.

True, there was an allowance under the act for the funeral, but that widow had to pay the excess for the burial of her husband because there is no provision in the Pensions Act which would allow the pension commission to give the widow what we know in law as special damages, in this case amounting to $800. So she had to pay that out of whatever reserves she had over the $115 which she got. That is a concrete case.

Mr. McINTOSH: If the court had awarded a sum of money of a certain amount, let us say, for the death, would she have had to turn that over, or if the court had awarded a certain amount for the burial, would she have had to turn that over?

Mr. McDONAGH: I understand that is the interpretation followed by the Canadian Pension Commission in such a case.

Mr. McINTOSH: If special damages had been awarded to cover the cost of the ambulance, and so on, would the individual have to turn that money back to the one who paid it in the first place, because it was not used for that purpose?

Mr. McDONAGH: There is no discretion in the pension which she is paid.

Mr. BEECH: Is this not in some way putting these pensions on a means test basis?

The CHAIRMAN: Is that a question or comment, Mr. Beech?

Mr. BEECH: I think it is a question. That is the way it seems to me.

Mr. BAKER: I think I remember a case where the lady was married shortly prior to the Korean force departing from Edmonton. Shortly after that her

husband was killed in a train crash on his way to Vancouver. She was awarded $8,500 and she turned it over to the receiver general on the suggestion of the Canadian Pension Commission. I think she finally solved her problem by getting married again a year or so later, in which case she lost her pension.

Mr. MUTCH: I know something about the Canoe river case. I would be the last one to suggest that my friend would not tell the whole story, but he implied something which is not quite true. He did not mean to imply it, but with the permission of the chairman I would like to speak to it for a minute.

This widow was very young. She had just been married. It is quite true that her husband was killed in the Canoe river accident. The commission, as it is enjoined by the act to do, instructed her to seek damages against the railway company. We are empowered to assume the financial obligations of such an action. So she did take such a decision. She was successful without suing, as you know,—that is, without going to court,—in getting damages. In her case she elected—not at the suggestion—and that is the point I want to make clear—not at the suggestion of the commission—not to accept the $8,500.

If the commission were advising let us say a widow of 18 or 19 years of age, knowing the law of averages, we might well say: "take the money and then you will have it".

We did not, let me assure you, give any advice. There are two schools of thought: one is that if the widow who elects is very young, there is the possibility of her remarrying, and generally speaking the possibility is high. In this case, about a year, I think as it turned out.

If she gets $8,500 and subsequently remarries, she has the damages in her pocket.

Mr. BAKER: I think she would marry much sooner if she had $8,500.

Mr. MUTCH: In this case she took only a year. But if, as they sometimes do, they say to themselves: "I will never marry again as a result of this, and I think I will take the security for the rest of my life, or until such time as I do marry again", all I wish to say is that the Commission would twist nobody's arm. We do not seek to collect money for the treasury in such a case. If they elect to take the money, the pension stops, if the award is large enough. I would not like to leave the impression that the Commission in any way seeks to influence anybody to take a lump sum and forget the security.

Mr. BAKER: Something over $800,000 has been collected under this item.

Mr. MUTCH: The last time I looked into it, it was close to $900,000.

Mr. SPEAKMAN: This is a provision which should be very carefully looked at by the committee. We have to make a recommendation. We had a very lengthy discussion about this one, and I think we were in entire agreement that this should be looked at with a view to amending it.

Mr. MCDONAGH: May I offer a quotation? I made some study of this and went back to the original Hansard of 1918, when I think the decision was taken by parliament; and in my opinion, from reading Hansard this was related to fellows who were in uniform and who were in the service of Canada at the time.

These people who are now out of uniform, 15 or 40 years, I submit, are in an entirely different position from those who were wearing the uniform of Canada. I thought it might assist you if I gave you this interesting case, but you have to go back to Hansard to see how the thing started for those who were in uniform. But during our preparation of this particular argument, the cases demonstrated, I think that every case was that of a person in uniform rather than one who was a civilian and out of uniform.

Mr. McINTOSH: That was the purpose of my question. I wanted someone in the department to answer and say when it was originated and what the purpose was, that is, to include these three classes in the act. Is there anyone here today from the department who is able to answer on this point?

Mr. MUTCH: I do not have the original date of the inclusion of this section, but from memory—and you may correct me if I am wrong—I think it was first in 1916 or 1920. Do you remember which, Colonel Baker?

Mr. McDONAGH: It was about 1918.

Mr. MUTCH: Yes, between 1916 and 1920; but as to the exact year I could not say.

Mr. McINTOSH: Can we take it that the departmental officials concur in the statement made by the organization, and that the explanation which has just been given is correct?

Mr. MUTCH: To the best of my memory, speaking only for myself, I would say it was initiated between 1916 and 1920. You ask whether I agree, or if the commission agrees?

Mr. McINTOSH: I do not want to put you on the spot, but I would like the department to answer why it was put in in the first place? There must have been some reasons for it.

Mr. MUTCH: The department is in no position to answer that, since it is solely under our act. The answer to that would have to come from a reading of the minutes, or of the orders in council, or the minutes of the committee which originally put it in.

Mr. BAKER: That would be a House of Commons committee under Mr. W. F. Nickle.

Mr. MUTCH: That was the first committee, was it not?

Mr. BAKER: I think so.

Mr. MUTCH: I was not interested in it then, and I do not remember who the chairman was. But Colonel Baker suggests it was W. F. Nickle.

Mr. McINTOSH: What year would that be?

Mr. BAKER: The first committee was operating in 1917 I know, and he was chairman of the committee of the House of Commons.

The CHAIRMAN: In any case, this information will be on the record, and it will be available for any research necessary in considering this recommendation.

Mr. MUTCH: It has been in the legislation during the whole time. I was busy elsewhere in 1917 and I was not here.

Mr. McDONAGH: The wording of the section was amended about 1944 because the Department of Justice gave a ruling to the commission that under the wording which then existed from 1918 to 1944, it was ultra vires, so they changed the wording to bring it within.

Mr. ORMISTON: When a widow receives an award, is the lawyer's fee deducted from it before it is turned over to the receiver general?

Mr. McDONAGH: In this particular case I have knowledge that the lawyer got his fee when the balance was turned over to the receiver general.

The CHAIRMAN: Have we completed our discussion on recommendation 4? Recommendation 5, "That section 4 of the Children of War Dead (education assistance) Act be broadened to include children of war disabilities, classes 1 to 11, regardless of the cause of death of their fathers". Is there any discussion on that recommendation, gentlemen? We have had this before us earlier.

Mr. HERRIDGE: It is a good recommendation.

The CHAIRMAN: Can we proceed to recommendation 6, "That action be taken to emphasize the responsibility of the Canadian Pension Commission in their administration of section 70 of the Pension Act . . ."?

Mr. WEICHEL: I think that is covered in pretty well all this, is it not?

The CHAIRMAN: Yes, we have had extended discussion on that point. Recommendation 7, "That the term 'war disability compensation' be substituted for the word, 'pension', wherever the latter appears in the present Pension Act which provides compensation for the war disabled of Canada". Any questions, gentlemen?

Mr. HERRIDGE: Mr. Chairman, the national council of veteran associations has brought that recommendation forward a number of times, and I am of the opinion that it is even more valid today than it was when it was first brought forward, because there are so many pensions issued now and there is confusion.

All these disabilities caused in industry are termed "compensation", not "pension". I think it is a very reasonable recommendation, and certainly will not cost the country anything. Surely we could do something which is as easily done as that.

Mr. WEICHEL: Mr. Chairman, with regard to recommendation No. 7, I understand that the main reason for that recommendation is because of the public understanding. The brief states, "Public understanding in respect of the war disabled is a highly important factor." I believe that warrants some change.

Mr. ROGERS: Mr. Chairman, I wonder if any thought has been given to calling it "war disability pension"? Why "compensation"?

Mr. MCDONAGH: If I may answer that, Mr. Chairman. In the view of the national council, in the public mind "pension" relates to payment for services rendered, either by contribution to a superannuation or retirement fund by the individual or by the employer, or superannuation such as in the civil service.

In so far as the war disabled are concerned, it is an attempt on the part of Canada to compensate them for something which they have lost as a result of a disability, and the use of the word "pension" in regard to a war disability is something which we, as ex-servicemen, think should not be used. It has grown through the years, just as for years the table of disabilities referred to "helplessness allowance"; now it is "attendance allowance", which is much more sensible.

We think "war disability compensation" presents a better picture to the people of Canada, and also to the disabled. If he were injured in a province, and the employer was under the Workmen's Compensation Act, that is what he would get; it would be "compensation", not "pension".

Mr. FORGIE: Would the words "war pension" not be satisfactory?

Mr. BAKER: "War pension" is apt to leave the impression that it is a service pension, long-service or otherwise.

The CHAIRMAN: Are there any other questions, gentlemen? We will pass to recommendation 9, "That the present war veterans allowance permissible income of male and female recipients and orphans"—

Mr. HERRIDGE: We have not dealt with recommendation 8 yet; you have skipped 8.

The CHAIRMAN: Excuse me; yes. Recommendation 8, "That war disability compensation cases in classes 1 to 11 be afforded treatment without charge by the Department of Veterans Affairs for any condition".

Mr. HERRIDGE: Mr. Chairman, I am very interested in this recommendation especially when we can pay for the hospitalization of many others who are not veterans and have not served their country.

Have any members any information they can give the committee of destitute veterans who are unable to get into a veterans hospital?

Mr. MCDONAGH: Mr. Chairman, I will answer the question and, if I may, I am going to embarrass Colonel Baker. We are dealing here with classes 1 to 11. Of course, Colonel Baker is 100 per cent. Recently he spent five weeks in Sunnybrook hospital—not for his disability—but fortunately he had Blue Cross and he had that paid for.

But the general public think that a man without two legs, or two arms, or who is blind can get treatment for any condition. He has given everything to the country: the country has had the benefit of that. Yet if he goes in for a heart condition, having two legs off, he has to pay for the hospitalization. Of course, under the new hospital scheme that now exists for the province of Ontario, there may be a different situation here. But the war veterans allowance case has his hospitalization paid by the department at the present time.

Mr. HERRIDGE: And his medical expenses.

Mr. MCDONAGH: And his medical expenses, yes. We think that the country has recognized that people in classes 1 to 11 have given much to the country, because the country has provided, in the Pension Act, that if that pensioner dies, his widow—regardless of the cause of death—gets pension.

We think it would relieve the financial burden carried by the wife and by the pensioner in classes 1 to 11 if we could help to keep him alive by giving him free hospitalization and treatment.

Mr. BEECH: Does that mean that you suggest he would be absolved from paying the insurance premiums?

Mr. MCDONAGH: I would say "yes", because we say, "without charge, for any condition".

Mr. BEECH: You mention the province of Quebec, and I just thought it would not be on an equal basis unless you do it that way.

Mr. W. DIES (*Sir Arthur Pearson Association of War Blinded*): Mr. Chairman, I think it should be understood here that, living in the province of Ontario, I am protected by hospitalization so far as hospitals are concerned. But I contribute to it. Do not forget that. We still contribute. Although we get it, remember that it is not free at all; we contribute in the province of Ontario.

The CHAIRMAN: Are there any further questions, gentlemen? Could we move along?

Mr. HERRIDGE: Mr. Chairman, I have just one more question. Have any of the witnesses any experience of a destitute veteran who possibly only served 364 days in England—or any other classes—who is not entitled to go to a veterans hospital and who has been denied admittance?

Mr. E. J. PARSONS (*Canadian Corps Association*): Yes, I have. In November last year I buried one, under the Last Post Fund, in Rouyn. This man was 21 days short of the qualifying period.

In March this year I had one case of a man who was about two months short of the qualifying period for war veterans allowance. He was drawing a very small pension for an industrial accident, not a disability pension. Nothing that I could do put him under the War Veterans Allowance Act. I managed to get them hospitalized under the Quebec Public Charities Act.

Mr. HERRIDGE: Splendid.

Mr. PARSON: I am quite sure that had they been able to get better medical treatment—other than charity treatment—they probably would not have gone the way they did. I feel that way, particularly with regard to one. I know treatment was all he needed to keep him going.

Mr. HERRIDGE: In your opinion, he died prematurely because he was not able to get into a Department of Veterans Affairs hospital?

Mr. PARSON: I feel that way.

Mr. FANE: I have one case, Mr. Chairman. There was one case in my home town that was exactly the same. A man whom I had taken overseas in 1918 required hospitalization for some disability that could not be traced to service, and he was just 11 days, I believe it was, short of the required period of 365 days. He could not get war veterans allowance and he could not get hospitalization.

He was allowed into the Colonel Mewburn Pavilion in Edmonton, but he had to pay for all his treatment right through. That would come under that other recommendation.

The CHAIRMAN: Are there any further questions, gentlemen? Can we move along to the next recommendation? Recommendation 9 is, "That the present war veterans allowance permissible income of male and female recipients and orphans be increased as follows: for single recipients, from $1,080 per annum to $1,440; for married recipients, from $1,740 per annum to $2,000". Are there any questions, gentlemen?

Mr. FANE: Mr. Chairman, I would like to know how those amounts of $1,440 and $2,000 were arrived at.

Mr. MCDONAGH: Mr. Chairman, I do not know whether Mr. Parsons is in a position to explain this or not, because it came from the Canadian Corps Association.

As you will recall, when Mr. Harpham was here you asked him that same question. The only way we can figure out where they get the $1,440 is $120 a month, which works out to $1,440. The $2,000 is the exemption under the Income Tax Act.

Mr. MCINTOSH: This is not actually a pension; it is war veterans allowance?

The CHAIRMAN: It is a means test allowance.

Mr. MCINTOSH: Then my question is this: what circumstances must exist before a pension is granted, or war veterans allowance, and what does he have to prove?

The CHAIRMAN: Colonel Garneau is with us and can answer that question.

Mr. F. J. G. GARNEAU (*Chairman, War Veterans Allowance Board*): It is based on two conditions, outside the question of eligibility. First of all, he must have served in a theater of actual war or be in receipt of a pension of 5 per cent or more: that is under the Pension Act.

If in good health, he must be 60 years of age or, if a widow, she must be 55 years of age. But if his or her health is claimed not to be good, then entitlement is determined following medical examination, medical certificates, and so on. It is assessed generally by the board of review, and they are examined pretty carefully. On the weight of medical evidence then given, the award is made, or declined, accordingly. That is just a very sketchy explanation.

Mr. MCINTOSH: I was thinking more of the financial position.

Mr. GARNEAU: The financial position is that they be deemed to be in necessitous circumstances. That is fairly generous, too, I suggest, since the regulations and the Act permit a recipient to have $2,000, if married. He is permitted to have up to $2,000 in personal property and assets, and that is to the exclusion of his own home in which he resides, the value of which is exempt up to $8,000.

In the case of a single veteran—and that applies also to widows—it is $1,000 in personal assets, bonds or investments of any kind. In a case where he has $1,000 in cash, bonds or personal property he or she is eligible for war veterans allowance.

Mr. McINTOSH: Did I understand you to say he must first be a pensioner?

Mr. GARNEAU: No, that is one of the alternatives for service qualifications. It must be either theatre of actual war or, in lieu of that, a pension of 5 per cent or more awarded by the Canadian Pension Commission for disability.

Mr. WEICHEL: He must also serve for 365 days.

Mr. GARNEAU: That is another exception. That only applies to service in England for veterans of World War I. They must have served in England. This was amended in November, 1957. They must have served 365 days in the United Kingdom in order to qualify.

Mr. WOODCOCK: Would not a man also qualify if he has dual service?

Mr. GARNEAU: Yes. If he served in both wars even if he has not had any service in the field of actual war but has served in Canada during two wars, that makes him eligible.

Mr. McINTOSH: What is the situation in respect of his home?

Mr. GARNEAU: That has been increased from $6,000 to $8,000 following the amendments of a year and a half ago.

Mr. McINTOSH: Originally it was $6,000?

Mr. GARNEAU: Yes. It is now $8,000.

Mr. McINTOSH: Has it been changed in these figures here?

Mr. GARNEAU: No. It still stands there since November 1, 1957, when the last amendments were made to the War Veterans Allowance Act. It was $6,000 and the exemption is increased to $8,000.

The CHAIRMAN: Captain Hurd has a comment here.

Mr. L. HURD (*Hong Kong Veteran*): I would like to ask the colonel if there is a clause in the War Veterans Allowance Act in respect of the applicant who has applied, and it has been proven he had a dishonourable discharge?

Mr. GARNEAU: That applies to the dual service veteran only who has not served in a theatre of war and who is not a pensioner but who qualifies solely on the fact of service in two wars.

Mr. HURD: But a dishonourable discharge does not disbar him?

Mr. GARNEAU: If it is the last discharge he received in either war is dishonourable, it disqualifies him. For instance—and I will not elaborate on or belabour the point—if a man is enlisted and during his first enlistment in, let us say World War I, he is a deserter and is dishonourably discharged, but later, either as a result of being caught or thinking better of it, re-enlists and his second discharge is honourable, he is in; but if it is vice-versa, he is out.

Mr. HURD: Thank you.

The CHAIRMAN: Are there any further questions? We will move along to recommendation No. 10, "That item 4 under Schedule A and item 4 under Schedule B of the War Veterans Allowance Act be amended to read, blind war veterans allowance recipient, or married veteran with a blind spouse".

We had this before at an earlier meeting. Are there any questions at this time?

We will move along to recommendation No. 11 "That the war claims regulations be amended to provide for the payment of $1.50 per diem per man for forced slave labour by the Japanese from the war claims fund to the Hong Kong ex-P.O.W."

Captain Hurd has a further statement at this time.

Mr. HURD: I wish to apologize for a misunderstanding. It was largely due to my poor manner in speaking when I discussed this point with the national council in Toronto prior to the drawing up of the brief.

The Hong Kong veterans wish to establish that our present brief backs up the brief we presented here on March 9. In other words, we would like to change what it says here. We would like to change "Japanese funds" to "war claims fund". As far as our Hong Kong veterans are concerned, we have not yet had any recognition of forced slave labour, which we claim at $1.50 a day instead of $1 a day. I hope I have made that clear. If there are any questions, I will attempt to clear them up now.

Mr. HERRIDGE: That clears it up very well.

Mr. MONTGOMERY: I do not think it clears it up to my satisfaction.

Mr. HERRIDGE: We do not often agree anyway.

Mr. MONTGOMERY: You would give the world away; you are good-hearted. I gather this $1 here is not what you are asking. You are asking for $1.50?

Mr. HURD: Yes; that is for forced slave labour which we claim. Up to this point, to my knowledge, our government has not recognized forced slave labour. What we received prior to this was under the maltreatment award.

While I am here I would like to thank all of you for giving us so much attention when we presented our brief on March 9. My colleagues and I very much appreciate the time you spent with us, the questions you asked of us, which were perfectly in order, and the valuable information that Colonel Lalonde and his assistants have given us, as well as Mr. Theriault of the War Claims Commission.

Mr. WINKLER: Do I understand that the wording was changed in the recommendation to read, "the war claims fund," as it now stands? Would you again mention what that was changed from?

Mr. HURD: What we have in the brief today mentioned Japanese funds. I would rather it be changed to "war claims fund", which we had in our original brief on March 9.

Mr. WINKLER: What is the implication there?

Mr. BAKER: I think it means that the Japanese funds in this country are exhausted; are they not?

Mr. HURD: That is what I understand.

Mr. WINKLER: That is also exactly what I understood. The further question which that poses, I think, would be that the Hong Kong prisoners—I do not suggest they are not entitled to it, but I think it would involve the funds of Germany and so on which exist.

Mr. HURD: I do not know, but perhaps the Japanese funds—I never saw the accounting of it—possibly were far more than we claimed for; I do not know. That has never been made public. I cannot answer how much was Japanese funds and how much was from other places.

Mr. WINKLER: To return to my original thought, there are quite a number, I would say, of ex-prisoners of war from German camps as well who should be entitled to this fund. Would I be right in saying that?

Mr. HURD: We have always agreed. We did not wish to be unfair to any other prisoners of war in other theatres of war. As I stated on March 9, the Hong Kong veterans considered that altogether they had suffered very bad treatment and our medical records at the time when we arrived in Canada showed we had been under very bad treatment. We agree that deserving cases in other theatres of war should be the same as we are. I understand they had to prove their case.

Mr. WINKLER: Recently I have endeavoured to obtain some information in regard to the status of the health of ex-prisoners of war and, unfortunately from the information which I have been able to obtain, I cannot back up your statement in that regard. Having been a prisoner of war myself, I feel this group as well should be considered. I do not wish to discriminate, but I feel they are equally entitled because from the medical evidence that can be produced today there is not any differential in the conditions of the two groups, so far as health or treatment is concerned. I do not propose to put forth any argument that the Hong Kong veterans or ex-POW's do not have a more difficult time; that is outside of my thought.

Mr. HURD: I think this was practically based—and if anyone finds me wrong please correct me— on the American procedure. They gave all their prisoners, especially those in the Far East, preference to the European. I do not wish to argue the point as to whether they were right or wrong. I am not in a position to argue what is just. That is not up to me.

Mr. WINKLER: Well, I endeavoured to do this spot of research in favour of deserving types in both regards, and the evidence that has been produced for me today, or that I can produce for you, is such that it shows that one group is in no worse situation than the other.

Mr. HURD: I am sorry; that was not the understanding we had when we first received the award back in 1950.

Mr. WINKLER: Possibly not then; circonstances may have changed. I can produce the information in this regard which I have in my files.

Mr. HURD: We feel we should have been paid this years ago, and not wait until now.

Mr. WINKLER: I think our group does too.

The CHAIRMAN: I think Mr. Winkler and Captain Hurd could continue this discussion at a later time.

Mr. WOODCOCK: May I get in on it afterwards?

The CHAIRMAN: I hope all the members of the committee will remain long enough to meet with the members of the delegation who are here this afternoon. Would you like to carry that on privately, Captain Woodcock?

Mr. WOODCOCK: As an ex-German prisoner of war, I would, yes.

The CHAIRMAN: Are there any further questions in regard to recommendation No. 11; if not, we will proceed to recommendation No. 12—"that Remembrance Day be made a statutory holiday".

Mr. HERRIDGE: I am very sympathetic with this recommendation, but I do not like the word "holiday". I wonder if the committee would consider that Remembrance Day be made a statutory memorial day and come under the legislative provisions covering holidays.

Mr. BAKER: I accept your suggestion, sir.

Mr. BEECH: I would like some clarification in connection with this matter. It seems to me that already Remembrance Day is practically a holiday.

Mr. MCDONAGH: I may explain how it got before us. If you read your report, Mr. Beech, in connection with the civil service, you will find that there was a recommendation in the report that Remembrance Day be not considered a statutory holiday for employees of the government of Canada, and that is what started it. We think if anyone should recognize the holiness of Remembrance Day, it should be those who serve the government of Canada.

Mr. BEECH: I made my inquiry because last year I had occasion to take this matter up with the Secretary of State. I was asking why parliament should sit on Remembrance Day and they told me it was definitely a statutory holiday. I wanted to make that clear.

Mr. WEICHEL: Is this the first time that all of these organizations have agreed on a statutory holiday? I know there has been a lot of controversy, with some being in favour and some not. Some fellows say to me that on the holiday a lot of these fellows go fishing; they do not stay here. They go away instead of staying here. If we could arrange some way of getting every veteran to stay here, I am 100 per cent behind this.

Mr. WINKLER: I might remind Mr. Weichel we are living in a democracy. I would like to have a definition of the status of November 11 right now for the benefit of the new members. Recommendations are being made of what we can do to further the position of this day as Remembrance Day, and have it observed throughout the country. It is my opinion it is a statutory holiday but it is rather left to the discretion of the municipality for observance. Is this exactly as it is?

Mr. LUCIEN LALONDE (*Deputy Minister, Department of Veterans Affairs*): Mr. Chairman, I can provide a bit of information in connection with this point. Under the Remembrance Day Act there is a provision enacted by Parliament that Remembrance Day is a statutory holiday. But, as you say, we are living in a democratic country and I think it has been left more or less to the discretion of the people locally as to how they observe it. So far as I know, there have been no prosecutions under that act.

Mr. WINKLER: Naturally in the course of time and so on, we accept certain holidays as holidays. They are accepted on the basis of national holidays. Possibly in the course of time November 11 will be too. But I think that we as the veterans affairs committee in the House of Commons should take steps to endeavour to have it observed from one part of the country to the other, that is from the Atlantic to the Pacific. I think the sooner we do it, the sooner people will appreciate the sacrifice that was made for the democracy that we enjoy.

Mr. E. J. PARSONS (*Canadian Corps Association*): The railroads are typical employers of labour, and I might say that I was an employee for a number of years. Just prior to November 11, we would get a bulletin from our headquarters in North Bay—the same thing applies to the Canadian National Railways as applies to the Canadian Pacific Railway and I think a large majority of other employers of labour—which starts out: monthly rated employees will be given sufficient time away from their duties to attend any ceremonies at the cenotaph between the hours of 10 a.m. and 12 o'clock noon, without deduction of pay. Then it goes on to say: hourly rated employees will not be paid for any time away from their employment. This brings up a touchy question every November 11. In fact, we let them go, with our eyes closed; but hourly rated employees at the present time are penalized for any time away from the job.

Mr. WINKLER: I am not suggesting that anything which I have said should develop into a debate here. I am not making the suggestion that this be done or promoted by this committee in the hopes, or even thinking, that anyone would take advantage of the situation to claim a free day's pay. I am sure you all know what I mean. The same situation could most certainly exist with any other holiday we celebrate in the year—much more so than in the case of some of them. Surely the significance of a number of them has gone by the board, even some of our sacred holidays; and I think the time has come that in all justification we should endeavour to promote November 11, without its being taken advantage of in any way, shape or form, for the purpose for which it should be celebrated.

Mr. MCDONAGH: It may be of assistance to the committee if you would actually check and find out how Remembrance Day came into being. I think there are only a few in this room who took an active part in it. It was known

as Armistice Day, and it is one case where the whole veteran movement petitioned parliament and the Senate to change it from Armistice Day to Remembrance Day. The arguments we used at that time convinced parliament. I think it might be of great assistance to the committee if this was looked up.

Mr. WEICHEL: Of course, talking about democracy, I am 100 per cent in favour of that, but when we have some people telling us that Remembrance Day should be on the nearest Sunday, or we have school teachers telling us the holiday should be excluded from school, I think it is time the old veterans stepped on the gas. After all, a great number of these fellows who are doing this talking are not even veterans.

I believe it is a very important issue to everybody because today the children in our schools are the children of the veterans of World War II. They are the boys and girls who remember what their dads did. But others probably do not, and it is a good idea for them to know or to realize just what Remembrance Day means.

The CHAIRMAN: Any further questions on this recommendation No. 12? Can we move to recommendation No. 13, maintenance of veterans preference?

Mr. MCINTOSH: I was wondering if the delegation would explain what prompted this resolution. Have they had any indication there is going to be a change, or that this provision is going to be eliminated from the act?

Mr. BAKER: I think the general reason for bringing up this question at this time was that we were aware that the Civil Service Act was up for possible amendments, and I think that probably this may be regarded as precautionary.

Mr. MCDONAGH: The resolution included in the reports which are handed to the Civil Service Commission is that the veterans preference be amended or deleted.

Mr. HERRIDGE: It has been suggested in various places that it was about time to change it, even from outside.

Mr. JOHN BLACK: In view of the conditions that do exist today, I think it should be kept in more so than ever before, because things are starting to slide a little for some of the veterans.

Mr. WEICHEL: Not generally, you agree?

Mr. JOHN BLACK: I am one of the fortunate ones at the present time, whom it does not actually hit; but it will hit others as time goes on.

Mr. MONTGOMERY: May I ask a question?

The CHAIRMAN: Yes, Mr. Montgomery.

Mr. MONTGOMERY: I think there has been talk and we have heard of a points system in preference to the system we now have. Do you have any comments to make on that?

Mr. NEVINS: That is in the civil service report this year and, if I recall it rightly, they recommend five per cent. In other words, I think, whatever his mark is he gets five per cent more added on.

Mr. MONTGOMERY: What are your comments on it?

Mr. NEVINS: We feel it should be held as it is.

Mr. MONTGOMERY: You would keep it as it is?

Mr. NEVINS: Yes, it does not affect a man when he comes up for promotion; and once a man is in the civil service he is on his own and has to compete with ability. But we do not think it is going to affect too many at the present time.

Mr. HERRIDGE: I remember once when I was in the provincial legislature, they had a points system and it caused a lot of checking up on documents; and I happened to observe that a certain veteran did not get preference, while

another did. The way it was done, it was made certain that he would get five per cent, but it was made sure the other marks would not qualify him; and so he was kept out in that way. That is the danger.

The CHAIRMAN: Any other questions? If not that concludes the brief. We have had a very excellent discussion, Colonel Baker and gentlemen.

As we indicated at the commencement of our meeting today, the presentation of the council has been somewhat in the form of a grand summary.

Before we dismiss, gentlemen, I would remind you that on Wednesday we have a very special meeting at the Sunnybrook hospital. I believe you have the details of our arrangements for that day. We leave from the front of the building at 8:30.

Mr. FORGIE: We have not the details out yet.

The CHAIRMAN: We will be in front of the building promptly at 8:30 a.m. so let us arrange our schedules accordingly.

Mr. WEICHEL: Before we adjourn, as an old amputee and as this may be the last opportunity, may I thank these gentlemen for the excellent services they have given throughout the years. They have made a wonderful contribution to the veterans from time to time, and I think this is probably a good time to thank them. I know how much pay some of them get, and I am sure it is a thankless job a good many times.

The CHAIRMAN: We heartily endorse that sentiment.

Mr. BAKER: Mr. Chairman and gentlemen, we are most grateful to you for your very kind and patient hearing; and I hope you will not feel we have wasted your time. Certainly, it has been a grand opportunity for us to become acquainted with you. I am sure that some of you, at least, are greatly impressed by the second war group appearing here, although we miss some of the old World War I horses who used to function. Thank you.

The CHAIRMAN: Thank you, Colonel Baker.

Mr. HERRIDGE: Correction: some of them are still functioning.

—The committee adjourned.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

RECEIVED
JUN 4 1959
Library of Parliament

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 14

Bill C-50, An Act to amend the Veterans' Land Act

MONDAY, MAY 25, 1959

WITNESSES:

Mr. Lucien Lalonde, Deputy Minister, Department of Veterans' Affairs; Brigadier T. J. Rutherford, Director, Soldiers Settlement and Veterans' Land Act; and Messrs. A. D. McCracken, Senior Administrative Officer; T. T. Taylor, Director, Legal Services; and H. C. Griffith, Superintendent of Construction.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

21202-7—1

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.,

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

Badanai	Herridge	Peters
Batten	Jung	Pugh
Beech	Kennedy	Roberge
Benidickson	Lennard	Robinson
Broome	Macdonald (*Kings*)	Rogers
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

ORDERS OF REFERENCE

WEDNESDAY, May 20, 1959.

Ordered,—That Bill C-50, An Act to amend the Veteran's Land Act, be referred to the Standing Committee on Veterans Affairs.

Attest.

LÉON J. RAYMOND,
Clerk of the House.

21202-7—1½

MINUTES OF PROCEEDINGS

MONDAY, May 25, 1959.

The Standing Committee on Veterans Affairs met at 4.00 p.m. this day. The Chairman, Mr. Dinsdale, presided.

Members present: Messrs. Batten, Carter, Clancy, Dinsdale, Fane, Forgie, Herridge, Jung, Lennard, MacEwan, MacRae, Matthews, McIntosh, Montgomery, O'Leary, Pugh, Speakman, Stearns, Thomas, Weichel and Winkler—(21).

In attendance: Mr. Lucien Lalonde, Deputy Minister, Department of Veterans Affairs; Mr. T. J. Rutherford, Director, Soldiers' Settlement and Veterans Land Act; Mr. F. T. Mace, Assistant Deputy Minister; and Messrs. A. D. McCracken, Senior Administrative Officer; H. C. Griffith, Superintendent of Construction; T. T. Taylor, Director, Legal Services; W. Strojich, Superintendent, Property Division; J. Falardeau, Chief Treasury Officer; W. F. Thomson, Acting Superintendent, Supervision and Collection; and W. G. O'Brien, District Superintendent, VLA Edmonton.

The Chairman observed the presence of quorum, and asked for a motion to establish the number of copies to be printed of the Committee's Minutes of Proceedings and Evidence.

On the motion of Mr. Weichel, seconded by Mr. Herridge,

Resolved,—That, pursuant to its Order of Reference of February 17, 1959, your Committee print 900 copies in English and 200 copies in French of its Minutes of Proceedings and Evidence in relation to Bill C-50.

On the motion of Mr. Montgomery seconded by Mr. Speakman,

Resolved,—That the Committee next meet at 3.30 p.m., Wednesday, May 27.

The Chairman called Clause 1, of Bill C-50, An Act to amend the Veterans' Land Act, and introduced Mr. Rutherford who in turn introduced his assistants.

Mr. Rutherford outlined the purposes of the various proposed amendments to the Act contained in the Bill.

Mr. Dinsdale being called from the room, Mr. Montgomery took the Chair and presided over the meeting until his return.

The Committee considered individually, and adopted Clauses 1 to 19 inclusive. Mr. Rutherford, assisted by Messrs. McCracken, Lalonde, Taylor and Griffith answered questions.

Agreed,—That on Monday, June 1 the Committee hear representations relating to the Veterans' Land Act from the Canadian Association of Real Estate Boards.

At 6.10 p.m. the Committee adjourned to meet again at 3.30 p.m. Wednesday, May 27, 1959.

J. E. O'Connor,
Acting Clerk of the Committee.

EVIDENCE

MONDAY, May 25, 1959
3.30 p.m.

The CHAIRMAN: We have a quorum, gentlemen; in fact, we have a very good quorum. We have been busy in the House of Commons because of an extended question period, so we are slightly delayed in starting. If we can extend our sitting from an hour and a half to two hours today, I think we will make good progress on the main item of business which is consideration of Bill C-50, an Act to amend the Veterans Land Act.

Before we proceed to discuss the Bill, may we have a motion dealing with the printing of the committee report? I have a suggested motion here, if we could get someone to move it and second it: That, pursuant to its order of reference of February 17, 1959, your committee print 900 copies in English and 200 copies in French of its Minutes of Proceedings and Evidence in relation to Bill C-50. Is that number satisfactory?

Mr. WEICHEL: I so move.

Mr. HERRIDGE: I second the motion.

The CHAIRMAN: Moved by Mr. Weichel; seconded by Mr. Herridge. All in favour? It is approved. We are running into a "log jam" with the number of committee meetings during the rest of the week. Normally, we would sit on Thursday, but Thursday has at least 5 committees sitting already. I am wondering if we could consider sitting on Wednesday or Friday. Have we any expression of opinion?

Mr. LENNARD: It is bad enough sitting on Monday: why hold the committee on a Friday?

The CHAIRMAN: We have a choice of Wednesday or Friday.

Mr. LENNARD: You will not get a baker's dozen.

Mr. MONTGOMERY: Mr. Chairman, would you like a motion?

The CHAIRMAN: Yes: if there is a motion, we can perhaps have our discussion around the motion.

Mr. MONTGOMERY: I move that we meet Wednesday afternoon at 3.30.

The CHAIRMAN: Gentlemen, we have a motion that the committee sit on Wednesday afternoon at 3.30. Have we any seconder?

Mr. SPEAKMAN: I second the motion.

The CHAIRMAN: Seconded by Mr. Speakman. Have we any discussion? All in favour? Contrary, if any? It seems to be generally agreed that we will meet on Wednesday afternoon at 3.30.

Now, coming to Bill C-50; is there any other matter that we should discuss before we proceed to the bill? We have the officials from the veterans land act branch with us. Brigadier Rutherford, perhaps it would be helpful to the committee if you could make a general statement outlining the intentions and the purposes of the amendments. At the same time, it might be helpful if you could introduce the members of the branch who are supporting you here this afternoon. I am sure the members of the committee would be interested in becoming personally acquainted with these gentlemen.

Brigadier T. J. RUTHERFORD (*Director, Soldier Settlement and Veterans' Land Act*): Gentlemen, on my right is Mr. "Art" McCracken, who is head of the administration division; Colonel Griffith—who is head of construction;

Mr. "Bill" Strojich, who is head of the property division; Mr. John Falardeau, who does not belong to our staff but who is our treasury officer; Mr. "Bill" Thomson, who is head of supervision and collection; and Mr. George O'Brien, who is here from Alberta and who is the district superintendent there.

The bill now before you, gentlemen, I know is rather complicated, as is also the act which it amends. For this reason, as a prelude to your discussion of the bill it was considered a good idea to give you, in general terms and without reference to the wording of the act, what effect the proposed amendments are intended to have. I think that is probably the simplest way to do it, I will not refer to the sections of the act.

Part 1 of the present act is the original Veterans Land Act of 1942 as amended in 1946, 1949 and 1954. The principal amendment to this part was made in 1949 and provided for second establishments where the first property proved unsuitable or where the veteran had to move for other reasons.

The proposed amendments to this part are embodied in clauses 1 to 12 of the bill now before you and are largely of an administrative nature. In the main, they provide for:—

A more expeditious method by which a veteran may convert his agreement to the type of contract entered into by the director with civilian purchasers and which the veteran may then assign to a civilian if he wishes without passing on any of the special benefits properly applicable to veterans only.

Provision is also made to use the proceeds from rentals for the same purposes as proceeds from a sale; and to enable the director to use the proceeds from the sale of livestock and equipment for the purchase of land; the present provision being too restrictive. There is also a provision for a more expeditious application of sale and lease proceeds to a veteran's account.

There is a provision that Indian veterans settled on other than Indian reserve lands and who repay with interest all money expended on their account, may be resettled on reserve lands—or vice versa. Provision is also made permitting a veteran who has a special contract, authorized by governor in council under section 23 and who repays all money dispensed on his account, to be resettled on provincial land if he so desires.

There is a provision to include any security held for loans under Part III in the existing requirement that a veteran must insure, and pay taxes on, property held as security; and for the increase from 3½ per cent to 5 per cent in the interest rate chargeable on any advance the director makes to pay insurance or taxes in cases where the veteran fails to do so.

There is a provision that provincial advisory boards, which deal with rescission cases, may sit outside their own provinces in those few places where V.L.A. district boundaries extend beyond those of the province in which the board has jurisdiction.

The bill also provides that the last date of qualification for settlement under Part I, V.L.A., will be September 30, 1962, or fifteen years after discharge, whichever is the later. This follows the recent amendment to the War Service Grants Act.

There is also a provision for the settlement of expropriation disputes in an equitable manner where a veteran purchasing land from the director demands what is considered an unreasonable compensation from the expropriating authority, taking advantage of the fact that he has a contract with an agent of the crown which is not subject to forcible taking.

Then we go on to Part II of the act.

Part II was added to the act in 1954 and has to do with home construction on lots of any size. There is no direct subsidy provided for in this part, but neither is the veteran required to forfeit his re-establishment credit in order to qualify. The provisions of this part followed closely a recommendation of the Canadian Legion who, realizing the savings effected by small holders

through the "Build Your Own Home" program, asked that V.L.A. construction schools, house plans, supervision and interest-free advances during construction, and certain legal services be made available to veterans wishing to build their own homes on city-sized lots. This has proved a popular and worthwhile addition to the act.

Since the purpose of this part was to encourage home ownership by those who were finding difficulty in financing by other means, the amount which could be advanced was kept reasonably low in order to encourage a large owner-labour content and thus reduce monthly payments to a point where they could be more easily met. The maximum advance is now $8,000 and, as security for this, the veteran must transfer to the director, title to the lot on which the house is to be built, or pay for such lot if it now belongs to the director.

The advances made by V.L.A. during construction are paid out of a revolving fund. This fund is reimbursed from the proceeds of a mortgage given by the veteran to C.M.H.C. at the time title to the lot, with completed house, is conveyed to the veteran.

The amendments to this part are contained in clauses 13 to 19 of the bill. They provide for an increase in the amount available during construction from $8,000 to $10,000 and the removal of the limitation that advances must not exceed 85 per cent of the estimated value of the house and lot; it having been found that these never actually reach this amount. This increase in advances during construction would appear to be amply justified by the increased costs of construction and the improved building standards now in effect. The larger loan will, of course, increase the veteran's monthly payments but, if there is a good labour content, payments on a property worth $12,000 should not exceed $65 per month.

The bill also contains a provision for the assignment of a Part II construction contract to another veteran in cases where the first veteran, for some reason, is unable to complete the house; and also for the completion and renting by the director of an uncompleted house—any rents collected to be treated as if they were proceeds of sale and applied to the veteran's account.

The bill also provides that the veteran, if he is in a position to do so, may repay the director in cash all or part of the money advanced under the construction contract, in which case a mortgage to C.M.H.C. will not be required or, if required, may be for an amount less than the approved N.H.A. loan. At the present time, a mortgage has to be drawn for the amount of the loan as originally approved.

The amendments to this part also include a provision which will permit the director to assist a veteran who wishes to build a home on a property which he holds under a long-term lease provided, of course, that the leasehold interest is assigned to the director as security during the period of construction.

This part of the bill also provides that where the lot on which the veteran wishes to build is already owned by the director and has a market value considerably in excess of its cost to the director, which cost is the normal sale price to veterans, the director may take an interest-free, self-liquidating second mortgage for the amount of such excess and, as long as the veteran remains on the property, the director may forgive annual payments due on such mortgage. This precaution is taken to ensure that advantageously-priced lots now owned by the director are used to provide permanent homes for veterans and not for speculative purposes. The difference between cost and market value is, in some cases, considerably more than the conditional grant which a small holder would earn under Part I, provided he remains on the property for ten years.

It is also proposed to remove the present bar in Part II against veterans who were given allowances for more than nine months' university training. This is for the reason that there are no direct cash benefits under Part II.

Part III

The present part III was added to the act in 1954 and, like part II, followed a recommendation made by the Canadian Legion. It provides for additional loans to small holders and commercial fishermen at the time they are settled under the act, and to full-time farmers either settled or to be settled.

Clause 20 of this bill is an almost complete rewrite of part III of the act in an attempt to bring up to date with present conditions.

This clause proposes that the additional 5 per cent part III loan presently available to small holders and commercial fishermen be increased from $1,400 to $3,000; while, at the same time, the additional contribution required from the veteran be increased from $700 to $1,000. This makes available a total of $10,000 in place of the present $8,100.

Since about the year 1949, due to rising costs, the loan available to small holders and commercial fishermen has always been inadequate. This inadequacy, however, has been compensated for by the introduction, in 1950, of our "Build Your Own Home" program. This program has proven very successful. Over 16,000of our V.L.A. houses have been built under it, and last year 91 per cent of all our house construction was by veterans acting as their own contractors, and at very considerable savings to themselves.

The provision in 1954 amendments for an additional $1,400 loan restored the approximate "cost to loan" ratio which existed when costs were at their 1949 level. It is now considered that the increase proposed in this bill would again restore this ratio.

These additional loans to small holders are only available at the time of settlement, since part IV of the National Housing Act provides for home improvement loans of up to $4,000, and such loans, by arrangement with C.M.H.C., are available to veterans settled under V.L.A.

Now, gentlemen, we come to the most important part of this act, and I would like to give you an outline of it and a little of the thinking behind these amendments, because I know you will want to give a great deal of consideration to this part, as it goes quite a long way.

By far the most important amendment proposed in this bill is the one providing for a very substantial increase in the part III loans available to veterans certified to be qualified as full-time farmers, and who are now, or who may be in the future, settled under part I of the act. This is an amendment which is generally considered to be long overdue since the lack of adequate credit has, for many years, been a very serious handicap to our V.L.A. farmers. In this part I crave your indulgence if I take time to go into some of the thinking behind its provisions which I believe to be important to your consideration.

Since V.L.A. was enacted 17 years ago, the capital required to set up an economic farm unit in Canada has greatly increased. As the supply of farm labour at wages which the farmer could pay had dried up, he was forced to fully mechanize and, in order to put his new equipment to economic use and make enough to pay for it, the farmer found it necessary to buy more land and, because many were looking for land at the same time, the price of good, well-situated land went up. These factors, coupled with the inflationary trend, soon made V.L.A.'s $6,000 look very small indeed, and many men who would have made good farmers had to be turned away because they did not have enough capital of their own to pay the excess required to buy anything even approaching a good unit.

Statistics show that the capital required for each gainfully-employed worker in agriculture, is now between three and four times what it was when the Veterans' Land Act was passed and, as a matter of interest, it is also about three times what is required in other industries.

While almost every agricultural economist has a slightly different idea of what constitutes an economic family farm unit, there is little difference of opinion as to the essentials and, for our purposes as a lending agency, we have adopted a rather simple one, that is to say,

> An organized assembly of farm land, farm buildings, livestock and equipment which can be managed and operated by the owner and his family and which, under his management, will produce enough net income to pay three-quarters of its cost with interest amortized over a period of 30 years, pay the cost of good maintenance, and leave enough to supply the farmer and his immediate family with a typical Canadian standard of living.

With this definition in mind, the limiting factors can be approximated in any case. The unit must not be so large that the owner and his family cannot supply the necessary management and labour required while, on the other hand, it must not be so small that the unit will not pay off the indebtedness against it, with interest, within the term of the loan, pay for adequate maintenance, and afford the operator and his family a good standard of living. In the case of a particular operator, any unit which falls between these two dimensions may be considered an economic family farm unit, while anything that does not is either too large or too small.

Generally speaking, with labour costs where they are today and given equivalent marketing facilities, the specialized family sized economic unit is still, in my humble opinion, the unit of optimum efficiency. Not everyone agrees with this statement but, given good management or fair management and good supervision, I still believe that it is true, integrated and corporate organizations not excepted.

The minimum cost of setting up an economic family farm unit, depending on the standard of living set by the part of the country in which it is situated, varies today within the range of twenty-five to forty thousand dollars. Very few Canadian agricultural economists would say it could be less but the majority, I am sure, would put it at more, so this figure is quite conservative.

Canada started her veteran farmers with $6,000 at a time when Australia and New Zealand were lending their veteran farmers five thousand pounds and the United States were spending the equivalent of a maximum V.L.A. loan on training their veteran farmers, who then, if they desired, used the normal government farm credit facilities which provide 4½ per cent loans up to 90 per cent of value and for a 40-year term.

The fact that V.L.A. farm loans were kept so low was no doubt due to rather disappointing and costly experience after World War I, when less than half of those settled ever received title and only a little more than half of the money loaned was repaid. However, among those who stayed on the land and obtained title are to be found some of Canada's leading farmers. They had to be good to succeed.

Had there been an opportunity to fully analyze the reason why some soldier settlers were outstandingly successful while the great majority either never obtained title or did so only after write-downs in the price ranging as high as $7,000, I have little doubt that much larger loans would have been made available to V.L.A. farm settlers from the beginning. However, under the circumstances, there is little wonder that there was hesitation to risk more capital on individual loans.

The result was that the veterans land administration entered the farm credit field with a maximum loan of $6,000 available on excellent terms but entirely inadequate for the setting up of a minimum farm enterprise, except in those cases where the veteran had very considerable additional funds of his own. V.L.A. also entered the credit field at a time when the conventional

type of farm organization had already become obsolete. These two factors left the administration no other alternative—if settlement were to proceed at all—but to buy into an industry whose set-up was already obsolete and to buy units well below the average.

Had it not been for the relatively favourable relationship which existed between farm costs and farm prices between the end of the war and 1952, as well as for the many opportunities for outside employment during that time, many of our farmers would never have been able to stay on their farms.

However, by 1952, when the "cost-price squeeze" hit agriculture in real earnest, our V.L.A. farmers—most of whom had been settled before the end of 1958—were in a position at least to hang on and, with the help and encouragement of our field staff, to meet their payments as well.

The fact that so many V.L.A. farm settlers were able to survive and meet their payments on inadequate units, is a matter of great credit to themselves and to the V.L.A. resident credit advisors who assisted them by making very sure they obtained the best possible value for the limited funds available, and seeing to it that, as far as time permitted, they were supplied with up-to-date information and personal guidance to assist them in the organization, planning and management of their units. This has paid off in permanency of settlement and an almost perfect repayment record. In fact, it can almost be said that, failing broader legislation under which to operate, many of our staff have done such good work that they have literally worked themselves out of a job.

As a result of personal contacts, the distribution of up-to-date information, organized study groups, and meetings, a large number of V.L.A. farmers already have a sound appreciation of what constitutes an economic family farm unit in their own area, how it should be organized, and how best to apply modern production-line principles to its operation. Many already have a sound plan and are only waiting for the necessary long-term "package-deal" credit to be made available in order to make it a reality.

The bill now before you provides for a maximum advance under part III of $20,000 less any amount still outstanding under the part I contract or, alternatively, up to three-quarters of the value, for security purposes, of the farm, basic herd livestock, and farm equipment, whichever of these two alternatives is the lesser. In calculating the security value, 60 per cent of the total required must be in agricultural land.

Advances made under part III, which are now repayable on a 5 per cent amortized basis over the remaining period of the part I loan, and that is anywhere from 15 to 25 years at the present time, will, under the bill, be repayable over a period of 30 years.

This bill also provides that part III loan money which may now only be used for the purchase of land and improvements to land may, in future, also be used for the purchase of basic herd livestock and farm equipment necessary to the enterprise, and also for the consolidation of any debts which have been reasonably incurred for any of the purposes for which loan money may be expended, provided such expenditures have added value to the security commensurate with the money used for the payment and consolidation of such debts.

The bill further provides that in valuing farm land for security purposes, only its productive agricultural value will be taken; this assures that government money will not be loaned on the security of property held for speculative or other than agricultural and home use purposes. Where such other value exists in a farm property, V.L.A. would only finance such property to the extent of its agricultural value.

The over-all purpose for which part III loans may be used is stated in the bill as "to enable competent farmers to acquire economic farm units".

This is an important statement, since it indicates that the intention is to exploit success rather than to postpone failure.

If credit is to be advanced up to 75 per cent of the value of the entire unit (which is about what seems necessary for beginners), it is essential that a very careful estimate be made beforehand of the earning ability of the unit if operated by the applicant in accordance with his proposed plan. His ability to live comfortably and repay his loan with interest at economic rates within the term of his contract must be established before any credit is advanced and, if advanced, such credit must be sufficient to assure this result.

The security that the farmer will be required to give to cover such a loan, which will in most cases include his stock and equipment as well as his land, must be carefully appraised, and the expenditure of the credit money controlled to assure that it is put to its highest and best use in the assembly of a well-balanced economic unit. Under such circumstances, loans should not be obtained from more than one source, although this presents no great difficulty in the case of well-established farmers whose total borrowings would seldom, if ever, exceed 50 per cent of the value of the unit.

It is quite common today to find both lenders and borrowers approaching farm credit in a piece-meal way—credit for land by way of mortgage, for feeder cattle from banks, for new equipment from machinery companies, for feed from feed companies, and so on—this is not good and, where the equity is small in comparison with the total amount borrowed, it can be fatal. Such a farm should, if possible, be financed as a unit of operation. If it is not, and the equity is small, it will probably not be long until the farmer will be "robbing Peter to pay Paul", and all too often end up in the hands of a finance company. We have seen that happen.

In the case of the one amortized loan, with stock and equipment as well as land taken as security, the farmer is, in effect, paying only interest on his land while paying off the part of the loan secured by stock and equipment, as payments are uniform throughout the entire term of the contract. This has very decided advantages for the beginner.

It is important, too, where pre-loan counselling and a degree of supervision are necessary—as they will be on most low-equity—that the farmer deal with only one person, and that that person be thoroughly familiar with all phases of the farmer's enterprise and the effect which the giving or withdrawal of credit at anytime might have upon it.

To use government credit to facilitate the setting up or continuance or uneconomic farm units would be to accentuate most of our farm and rural life problems. There would seem to be little doubt that the problems of low farm income and the difficulty experienced in disposing of the present surpluses of certain products, are very closely linked with the relatively high production costs which are fairly general in our agricultural industry.

It is also fairly clear that our high production costs are largely due to the fact that by far the greater number of Canadian farms are a long way from being economic units by present-day standards.

The transition from the old type of small, highly diversified family farm to the economically-sized, specialized type of family farm capable of using production-line methods and producing a standard, readily marketable product at minimum cost, has been very slow in most parts of Canada. This has been due to the lack of available capital with which to effect necessary changes in the size and organization of the farm units, and to a lack of appreciation on the part of a considerable number of farmers of the advantages of an adequate-sized and well-organized unit.

Lack of capital has also made it very difficult for farmers in the more adaptable areas to switch production from wheat and coarse grain (with their end products of flour, pork and poultry) to grasses and legumes (with end

products of beef, lamb, milk and cheese), and in so doing help to bring production more in line with present and future market requirements while, at the same time, extending and improving that most effective soil conservation practice which V. L. A. have consistently promoted, namely, grassland farming.

With our rangeland potential now almost fully exploited, any expansion in the production of beef and lamb must now take place on our more adaptable soils, and through a rather extensive switch from grain to grasses and legumes.

Historical and present consumption trends show beef to be a preferred food item whenever and wherever people have extra money to spend on food, and when the price is not too high in relation to other foods. This trend in eating habits is encouraged not only by prosperity and natural preference, but more and more by the medical profession who are doing much to encourage greater consumption of foods produced from grasslands, namely, beef, lamb, milk and cheese as against foods produced from cereal grain.

If the requirements of this increasing demand are to be met by home production, it will involve a considerable switch from the production of grain to grasses and legumes.

From a surplus disposal standpoint, the important consideration here is that it takes up to eight times as much of the same type of adaptable land to produce the same number of food calories in the form of beef as in the form of wheat or other cereal grain. However, the change in eating habits, while already very marked and continuing, will never be so complete as to reflect anything like this differential. It is, nevertheless, a very important consideration and one which farm planners must always keep in mind.

This switch from grain to grasses and legumes should be largely confined to our more adaptable soils, both east and west, and would leave the production of wheat very largely to those lower moisture areas of the prairies where wheat is about the only economic crop but where, on large farms of comparatively low-priced land and with modern equipment, it can probably be produced more cheaply than anywhere else in the world.

The fact that this changeover is not progressing more rapidly has been largely due to the unavailability of the farm credit needed to carry it out. This credit is required for the purchase of additional land and basic herd livestock, for changes in equipment, and for the construction of the fencing, loose housing shelters, feed storage bunkers, and watering facilities necessary for a cattle or sheep enterprise.

While the soundness of our Canadian agricultural economy during the next couple of decades will be very dependent upon the availability of sufficient farm credit to effect its voluntary reorganization into economic units, the food required for our rapidly rising standard of living and expected increases in population will probably, by the end of that time, begin to tax our available land resources to the extent that beef, with its high land requirements, will become more and more a luxury food—as it has long been in most parts of Europe and Asia where the masses must be satisfied with vegetables, fruit, cereal grain, and perhaps a little pork or fowl for special occasions.

The assembly, under a competent operator, of each new, economically-sized family farm unit brings Canadian agriculture just one more step nearer to the objective of non-subsidized parity income for farm operators, and of production costs which will assure the home market to our farmers, as well as a fair profit on surplus products in the markets of the world.

A system of supervised "package deal" credit so set up and administered as to assure that it is used to exploit success and not to reinforce failure, that it is sufficient for its purpose of setting up an economic family unit, and that every dollar of such credit is expended to good advantage would seem to be the only formula for getting the majority of Canadian farms on a profit-assuring, production-cost basis and producing a standard, readily marketable product.

That the net income on individual farms could be increased by at least 50 per cent and production made to conform more nearly to future market requirements were ample supervised "package deal" credit available to competent young farmers, is well established by the survey covering 5,000 of our farm settlers in all provinces which we recently conducted for the purpose of ascertaining the future credit needs of our farmers, and to find out what changes they would make in their production pattern were more credit made available to them at the present time with which to effect such changes.

Some may think that to increase the maximum loan from the present $9,000 to $20,000 is a long step to take at one time; others may believe that, under the conditions now prevailing, it is not going far enough. My personal opinion is that so long as the maximum loan is limited to 75 per cent of the sound value of the security held, the dollar ceiling could well be left out of the legislation, provided the purpose of the loan is clearly stated as being the establishment of an economic family farm unit. The guide as to the upper and lower limits of such a unit in any particular area and for any particular farm family is the value of a unit which will meet the requirements as stated in the definition of a family farm unit. The amount of the loan will then be the amount of additional capital required to set it up but not to exceed 75 per cent of the value of the acceptable security.

The bill, as it now stands, reads, "economic farm unit", leaving out the word "family"—which, if added would, in my opinion, constitute a most effective limit for the purpose of the act.

There may also be a difference of opinion as to the maximum ratio of loan to the value of the security taken. The bill fixes this at 75 per cent of the agricultural value of the real property and the resale value of the basic herd livestock and farm equipment, provided at least 60 per cent of such value is represented by real property.

It has been our thinking that, with the financial requirements for an economic family-sized unit being what they are, 75 per cent, while necessary, is not too high, provided that part III loans are only made to competent operators and only for the purpose of setting up family-sized economic units, and that certain very important conditions, as set out in his application form, are accepted by the farmer applicant as conditions precedent to the granting of his loan.

These conditions, which it was found difficult to embody in the bill, will be put forward as regulations for approval by the governor in council immediately after this bill has been approved. I think it is important and only proper that you should consider the bill in the light of the conditions which we intend to put forward in the regulations so that you may make your recommendations accordingly. These conditions are:

(1) That the farmer bring forward, at the time of his application for credit, an acceptable plan for the organization and operation of his unit, which plan he agrees to follow.

(2) That the farmer agrees to keep proper records and to submit annual operating and net worth statements.

(3) That the farmer agrees not to incur substantial debts or borrow money from other sources without the knowledge and consent of his credit advisor.

These conditions would apply only to loans in excess of 65 per cent of the value of the real property held as security and, in the case of larger loans, only until they had been reduced to this amount.

In order to assure that good farm operators can be put on a sound economic basis early in life—which is very important to our economy—it is necessary to widen the basis of security and to lend up to a higher percentage

of its value. It is, therefore, necessary to require the farmer to comply with conditions similar to those required when an individual or company borrows considerable money to start a business, in which case, the lending agency requires an acceptable prospectus and annual operating and net worth statements and, if large amounts are being borrowed in relation to the security, assurance that major borrowing will be from one source only until the business is on a sound financial footing.

By far the most important condition precedent to the granting of a "package deal" loan is the veteran's plan for the organization and operation of his expanded unit. This plan, to be acceptable, must satisfy the lending agency that, if the extra capital applied for is made available, the farmer's income will become, and continue to be, sufficient to pay the loan with interest during the period of the contract and, at the same time, maintain the security at least at its present value and afford the operator and his family a satisfactory standard of living—which should not be less than the typical income for people making a similar contribution to the economy in his own area.

To be able to make this type of calculation and to make it with reasonable assurance that it will stand up, is the most difficult and important task for which V.L.A. credit advisors have been trained, because it is on these calculations—which include a carefully made appraisal of the property and the applicant—that loans must be granted or rejected.

Our men are also trained, and are now well experienced, in assisting farmers in preparing plans for the organization and operation of their units. Much of their time is spent on this and in going with the farmer to visit successful and well organized operations. In the final analysis, however, the plan must be the farmer's own and completely acceptable to him, since he is the man who has to make it work.

Only a few years ago, substantial credit of the nature now suggested would have been looked upon by many of our farmers—and even by some of our field staff—as a burden of debt. Today, from what I gather from talking with our credit advisors and from letters received from farmers, of which I get a number almost every day, substantial long-term credit is looked upon by most as essential to their ultimate success.

With the exception of about 10 per cent of our farmers who should, according to our recent nation-wide survey, be operating only as small holders with the majority of their income from other sources, and another three per cent who should now be encouraged to sell out and get into some other type of endeavour, V.L.A. farmers now represent a group of comparatively young men who have proven their worth as agriculturists. As in the parable of the talents—"they have been found faithful over a few things."

Many of these started, of course, with considerable additional capital of their own and they, along with a surprising number of others who have been outstandingly successful, do not require additional long-term credit. However, I would say that, in the case of the large majority of our V.L.A. farmers, the lack of substantial long-term credit is now all that is holding them back from setting a pace for Canadian agriculture in the establishment of sound, economic, family farm units operated on a production-line basis with greatly reduced costs and production well adjusted to present and future market requirements.

The need for a more adequate and adaptable system of long-term credit has been so great, and its advantage to the economy so apparent, it has seemed to those of us who are working in the farm credit field that provision for adequate supervised "package-deal" credit for our more capable farmers in the younger age group would be made sooner or later.

That the administration of such a program would require a thoroughly trained and experienced staff built into a streamlined and adaptable organization was evident, and if such were not available, this would be a serious limiting factor in its success.

With this in mind, and as early as 10 years ago, V.L.A. started to train and organize for the handling of very much larger loans if and when parliament, in its wisdom, decided that the time for these had arrived.

This was just the type of training we needed for the work we were, and still are, doing but since our farm settlement, even in 1950, was running down, and since the on-the-job training program which we laid on was rather strenuous, some long-term incentive had to be held out to maintain this tempo since much of the work had to be done by staff on their own time and without extra remuneration.

If the extra farm credit proposed in this bill is made available, I am most happy to say that I can assure you, Mr. Chairman, that this administration now has a staff which can take this work in its stride. This applies not only to our credit advisors in the field, but also to the men and women in our offices who keep the work in our operating channels flowing smoothly, and to our senior officials who assist me in the development of policy and the making of major decisions. I know what their training and experience have been. I know how much of themselves they are prepared to give to their work. I can assure you that they are good. If they were not, I would hesitate to recommend this type of credit legislation since so much of its success will depend on the manner in which it is administered.

Thank you, Mr. Chairman and gentlemen.

The CHAIRMAN: Thank you, Brigadier Rutherford, for your comprehensive statement. With a statement of that kind it seems to me that our general discussion on clause 1 will be considerably abbreviated. It might expedite matters if we proceed as quickly as possible to considering the clauses one by one.

Unfortunately, I have been called to another meeting. I hope to get back this afternoon before the committee ends. Our vice chairman will take over for the next few minutes.

The VICE-CHAIRMAN (*Mr. Montgomery*): Mr. Thomas, have you a question?

Mr. THOMAS: Mr. Chairman, in connection with Brigadier Rutherford's statement, he made the statement that 10 per cent were having some difficulty and that 3 per cent probably should change to some other line of work. Is that 10 per cent plus 3 per cent?

Mr. RUTHERFORD: Yes, 10 per cent plus 3 per cent.

Mr. THOMAS: That is 13 per cent.

Mr. RUTHERFORD: That is right.

The VICE-CHAIRMAN: Are there any further questions you would like to direct to Brigadier Rutherford before we proceed with the discussion?

Mr. HERRIDGE: Yes, Mr. Chairman. Following up the previous question—

The VICE-CHAIRMAN: I believe Mr. Speakman had a question; would you ask your question now.

Mr. SPEAKMAN: As I have had a great deal of experience with V.L.A., I wanted to say at this time that I think the director and his staff are to be complimented on the presentation of these amendments. Further, I would like to compliment the director on the very excellent V.L.A. staff he has. From my experience, I know there is a no more experienced and reliable staff in farm administration in Canada and probably in the world.

As we come to the sections, there are one or two minor amendments which I would like to introduce for discussion.

Mr. HERRIDGE: I would like to ask this question, Mr. Chairman. Brigadier Rutherford mentioned a figure of 10 per cent which actually should be considered small holders and I can visualize some settlers under these circumstances. I know of two or three. Is it possible for their status to be changed to that of a small holder in view of their circumstances at this time?

Mr. RUTHERFORD: Yes, we transfer some to form statuts due to their developing enterprise, but we also do it the other way around. However, there is no particular advantage to them in doing it.

Mr. HERRIDGE: And there is no disadvantage to the administration in their continuing as full-time farmers.

Mr. RUTHERFORD: Our statistics are not as good as they should be. Actually they are smallholdings. It may be that we did not get them a unit that came up to standard.

Mr. HERRIDGE: I have one more question. I noticed with a great deal of interest that you made some reference to the fact that it might be advisable not to have a limit to the total of loans; would you enlarge on that.

Mr. RUTHERFORD: There may be cases in which we wanted to go beyond the limit and I think, with the 75 per cent, if you are careful you can be pretty safe. Probably you can do a fairer and more satisfactory job that way. Of course, a high limit might encourage people to borrow up to that amount.

Mr. HERRIDGE: Would you say there are circumstances where it would be to the advantage of the veteran to make a loan in the amount of $30,000.

Mr. RUTHERFORD: There are not too many of our veterans who require $30,000. Perhaps our survey has been fairly conservative. There were 5,000 men surveyed and I can give you the figures later, if you wish. I think you have these figures in the report I sent you earlier. Perhaps we might discuss that part of it when we come to it.

Mr. MCINTOSH: First of all, for my own information—and perhaps I should know this—but I notice the director mentioned repayment to the director, and that is all through the bill. It says:

> Circumstances sometimes require that a veteran repay to the director all or part of the cost to the director of the livestock and farming equipment purchased on behalf of that veteran.

Why is the word "director" used instead of "department"?

Mr. RUTHERFORD: The director of V.L.A. is a corporation soul. The word "director" is used all through the act instead of using the word "corporation". In the original act I think it would have been better if they had used the term "corporation".

Mr. HERRIDGE: You mean a corporation with a soul.

Mr. RUTHERFORD: That word is used all through. It sometimes proves embarrassing, but we have to use it.

Mr. MCINTOSH: In your statement, Brigadier Rutherford, you made reference to a survey and in that survey it was stated that if the farmers would turn over their production to the type of commodity referred to in that survey it would increase their net income by 50 per cent, and that more or less would bring up farming to what has been said is their fair share of the national income. But also you refer to milk and cheese. I wonder what the eastern farmers would say as to whether or not it is a paying proposition. I would like to know the name of the survey and would like to obtain a copy.

Mr. RUTHERFORD: You have a copy of it. It was sent to the members.

Mr. MCINTOSH: It was sent out?

Mr. RUTHERFORD: Yes. If you would like to hear it now, I can read it to you; or would you rather wait until we come to the item?

Mr. MCINTOSH: I do not know when we will come to it.

The VICE-CHAIRMAN: We will come to that when we are dealing with clause 20.

Mr. McINTOSH: My next question is in connection with the basis for your new credit. I understand you are to diversify the type of farming that is carried on. I am referring to the matter of more grazing lands in the west instead of raising grains. On what basis would you lend money? Before, it was on the productivity of that land. You have a survey to say what section is worth so much. If you change it over to grazing lands are you going to change your yardstick, or use the same one?

Mr. RUTHERFORD: There are certain types of land in the west which are adaptable to wheat, and wheat is about the only crop that really pays on that land. It is low precipitation land. There is no reason for that to be changed, but the farmers in the northern part are anxious to change.

We are not forcing anyone. This survey was to find out what farmers would do with credit if they got it. We found out when we went to the Gordon report that it is much the same as in the report you have. We could give the information to you now or later as to what the farmers themselves would do. The information conformed almost entirely to what the Gordon report said the market requirements would be in the next ten years.

Mr. McINTOSH: Is that where you get the 10 per cent increase on the net income?

Mr. RUTHERFORD: No, sir. Our men spent about two days on each survey. We asked farmers what they would do with more credit if they had it. We went into that. It is a long procedure. It was very carefully done and the information was all tabulated. It took nearly two years to cover 5,000, but it has been a good training program for our staff and a good instruction program for our farmers. Some rather amazing things came up. Farmers who were making a small percentage on their present capital investment jumped up to 24 per cent on the additional. The additional made that much difference.

Mr. McINTOSH: I think that is what we want.

Mr. RUTHERFORD: The figures are here. If you want to take the time to go into them now, I will do so.

Mr. McINTOSH: The vice chairman said he wanted to leave it until we came to that item.

Mr. WINKLER: In view of the remarks that were made before regarding the small holdings going into farming units—and maybe there has been a recommendation in this regard—I would like to know if there is any move in the direction of reducing, for the sake of the person who is not interested in going into the farming industry, the amount of land in a small holding.

Mr. RUTHERFORD: Yes, if he has 100 acres and he is operating as a small holder and wants to sell part of it, we are happy to do so.

Mr. WINKLER: But in the current minimum required for him to hold, is there any indication or recommendation for a decrease?

Mr. RUTHERFORD: We hope the provisions of part II will take the place of that. It gives the man all the benefits of being able to build his own house.

Mr. WINKLER: Do you get many requests for this?

Mr. RUTHERFORD: We used to. Since we have had part II of the act, there have not been so many.

Mr. HERRIDGE: But most like the other one best.

The VICE-CHAIRMAN: Shall we proceed with the clauses, clause by clause?

Clauses 1, 2 and 3 agreed to.

On clause 4—Director may require insurance policies.

Mr. HERRIDGE: Mr. Chairman, would you give us some time to read the section, because sometimes it takes a few minutes to find the point thereof?

The VICE-CHAIRMAN: Surely.

Mr. MCINTOSH: Mr. Chairman, could they tell us the point of each clause?

Mr. RUTHERFORD: Mr. McCracken will deal with this part and explain each clause as it comes up, if that is satisfactory.

Mr. MCINTOSH: Starting at clause 1?

Some hon. MEMBERS: Yes.

Mr. A. D. MCCRACKEN (*Senior Administrative Officer, Soldiers Settlement and Veterans' Land Act*): At the present time the present section 10 (4a) says:

> "(4a) Notwithstanding subsection (4), at any time after the expiration of the ten year period referred to in subsection (4), a veteran who has complied with the terms of his agreement for that period and is not otherwise in default thereunder may, with the consent of the Director, assign the agreement to any person; and, notwithstanding anything in this Act or the agreement, the interest payable by any assignee of any such agreement from and after the date of the assignment on any remaining indebtedness to the Director under that agreement shall be at the rate of five per cent per annum."

Mr. MCCRACKEN: We have never actually used this subsection of the act, because there are certain provisions or benefits in the actual agreement of sale between a veteran and the director that we consider are properly applicable only to the veteran himself and should not be passed on to the assignee, with the result that when veterans wanted to dispose of their property by assigning their contract, we have had them convert their contracts to a civilian purchase basis and then assign that civilian purchase agreement. Because of those circumstances—because we have never used, and do not think we should be using section 10 (4a)—it is proposed that that particular subsection of section 10 should be repealed.

Clause 1 agreed to.

On clause 2—Director may resell livestock, etc., to veteran.

Mr. MCCRACKEN: On various occasions, particularly where it involves full time farmers and the veteran becomes an absentee for a temporary period, we find it advisable to have the veteran repay the cost of the stock and equipment that has been furnished to him. That applies particularly to livestock.

We do permit veterans to store the equipment, but—and this has been our experience—livestock does not store very well. So, particularly where this relates to livestock, a veteran is sometimes required to repay the cost of the stock and equipment to the director. As a matter of practice, when the veteran has returned to the operation of his property, we have been re-expending the amount he paid to us in buying him new livestock and farm equipment.

We were going through the act with a sort of fine tooth comb prior to these amendments, and found we did not quite have the full or specific authority to do this, so we are simply seeking authority today to do something we think is advisable, and which has been successfully done for 15 years or more.

Mr. THOMAS: May I ask the witness to give us an example of what might cause the temporary absence of a veteran?

Mr. MCCRACKEN: He might re-enlist in the armed forces; he might find he has to leave the property temporarily because of ill health of himself or

some member of his family; he might find—prior to the increased credit provisions here—that he had to leave the property to go and work out to secure sufficient capital to be able to re-invest and make his farm a going concern.

It is a matter of maybe one or two years, or, if it is an enlistment in the armed forces, generally it is for a period of five years. Those are the most common types of absence that we come across.

Mr. HERRIDGE: I have noticed, Mr. Chairman—and I think the officials have found this from their experience—that possibly the majority of men have lacked capital and have gone out—I have known a number of such fellows—and taken a job mining, and so on, and have got some more money in a year or two and have then returned to the farm. Is that the sort of circumstance?

Mr. MCCRACKEN: Yes.

Mr. MCINTOSH: What would happen if a veteran did not want to give up the livestock to the director at that time? Does this give you power to take it?

Mr. MCCRACKEN: No, this does not give us power to take it. We have authority, under the agreement right now, to take it.

Mr. MCINTOSH: If he is ill?

Mr. MCCRACKEN: Not if he is ill.

Mr. MCINTOSH: You made mention of it.

Mr. MCCRACKEN: Yes, if he is ill; but a man can be ill and still be on the property. I am talking here about a man who has to leave the property for a period of one or two years. If a man has to leave temporarily, ordinarily there are local arrangements made for somebody to look after his stock. But this is a matter where a man is leaving for other than a temporary period.

Mr. FORGIE: What happens if he has not the funds to repay the loan?

Mr. MCCRACKEN: We would normally repossess the chattels; we would sell them—and when he returns to the property, we would redisburse the money.

With regard to farm equipment, it is normally either put under a caretaker agreement, or sometimes it is leased or hired out to a nearby neighbour who has been cooperating with the veteran.

The VICE-CHAIRMAN: Are there any further questions gentlemen?

Mr. THOMAS: Would it be a fair statement to say that this provision might make it possible for the director to re-establish someone who had got into difficulties?

Mr. MCCRACKEN: I have difficulty answering, in a sense, because we have been doing it right along. But it is when a man finds it necessary, for one reason or another, to be absent from his property: he has paid us back for the cost of the livestock and farm equipment. If he found a purchaser and sold the livestock, under section 11 (6) of the act the director would get the proceeds, and when the veteran came back, the director would then redisburse that money for buying livestock and farm equipment.

Here you have a situation that, instead of the veteran selling the livestock and the director getting the money, the veteran himself has paid the director for the livestock. As an analogy, we are doing the same thing with the man's money that he has paid to the director, as we would be doing with the money we received from a purchaser.

Mr. THOMAS: Would it be fair to say that this does not only apply to future development, but is also retroactive?

Mr. MCCRACKEN: Yes, sir. As I say, we have been doing it right along. This is something to tidy up the act.

Mr. McINTOSH: Can a veteran raise funds on such livestock by way of chattel mortgage?

Mr. McCRACKEN: He could, if we had released title to him. There is a provision in the act that the director can release title to chattels to a veteran, but the release of title to the veteran does not relieve the veteran from paying for them if he does not fulfil the terms of his contract. If the director released title to chattels to a veteran, the veteran would then—I would think—be in a position to obtain money on the basis of a chattel mortgage.

Mr. McINTOSH: This would not apply, then—

Mr. McCRACKEN: This does not apply to that situation.

The VICE-CHAIRMAN: Is the clause carried?

Clause 2 agreed to.

On clause 3—Use of proceeds from sale of land.

The VICE-CHAIRMAN: Do you wish to take these subclauses one by one?

An hon. MEMBER: I think it is best, Mr. Chairman.

Mr. McCRACKEN: Section 11 of the act provides that with the consent of the veteran the director may sell or otherwise dispose of any part of the property that was sold to the veteran. The words under section 11(1) "or otherwise dispose of" were intended to permit leasing.

Then we get down into subsection 11 (2) which says what you will do with the proceeds. Up to now it has just spelled out—inadvertently— that the director could use the proceeds from the sale. This section 11 has been in the act since 1949 and, again, the particular proposed amendment is a result of going through the act with a fine tooth comb, trying among other things, to find out certain items that we have been doing which—when we looked at them closely—we found we really did not have any specific authority to do.

This clause 3 (1) will permit the director to do exactly the same thing with lease proceeds as he may now do with the sale proceeds; that is, he may use them to buy land, to effect improvements or—if neither of those things are to be done—apply them against the veterans' indebtedness to the director.

The VICE-CHAIRMAN: That really covers all those subsections?

Mr. McCRACKEN: Well, clause 3 (2) has some related effect with regard to lease proceeds, or sale proceeds. We sometimes find that let us say out of $1,000 of sale proceeds, the veteran and our field credit advisor decide that $500 of the $1,000 sale proceeds should be re-expended in effecting permanent improvements and the remaining $500 is to be applied to the veteran's account.

The way the act reads now, that $500 to be applied to the veteran's account cannot be applied there until the permanent improvements have actually been effected and the money spent. This provision will permit us to apply the $500 that is not going to be spent to the veteran's account before the permanent improvement work has actually been carried out.

Clause 3(2) agreed to.

On clause 3(3).

Mr. McCRACKEN: Section 11(6) of the act at the present time authorizes the director only to redisburse sale proceeds from livestock and equipment for the purchase of other livestock and equipment. Under the proposed amendment, the director would be authorized, also, to purchase land for sale to the veteran or to effect improvements on the land either retained by the veteran or on other land to be purchased.

These cases mainly arise where a veteran established as a full time farmer can no longer continue his operation in that category, and he could be established as a small holder if we had the proceeds from the sale of the livestock and

farm equipment to spend along with the proceeds from the sale of his farm. The purpose of the proposed amendment is to permit the director to use the livestock and farm equipment sale proceeds for that purpose, on the same terms as funds that had been spent in the first place for the sale to the veteran of land and existing improvements. In other words, the veteran pays 10 per cent down and he agrees to pay two-thirds of the balance over the remaining period, earning a conditional grant on the land.

The effect of this amendment would be as if the whole amount involved had been spent in the purchase of a small holding in the first place.

The VICE-CHAIRMAN: Are you satisfied?

Mr. THOMAS: I have one question, Mr. Chairman. What is the effect of conversion from full time farming to small holding, or vice versa? In case it was found advisable to re-establish the veteran from a full time farmer to a small holder, would that entail any loss in conditional grant?

Mr. MCCRACKEN: Yes, it would. At the present time—I can use a concrete example—the establishments that we are mainly thinking about here are veterans who spent $4,800 for the purchase of real property and $1,200 for the livestock and farm equipment. With regard to the $4,800, the veteran paid $480 and he agreed to pay two-thirds of the balance, so that on the land and permanent improvements he was earning a conditional grant of $1,120, plus the $1,200 of livestock and farm equipment, which gives the total of $2,320. If part of all of this $1,200—the livestock and farm equipment—was sold and the proceeds were used to purchase land, or to effect improvements, on the terms set out here, that is payable 10 per cent down, and two-thirds of the balance over the remaining period of the contract, then he would end up earning a conditional grant less than $2,320, but equivalent to what he would have earned if he had been established in the first place as a small holder. In other words, if $6,000 had been spent on that veteran as a small holder at the time of his establishment, he would have paid down $600 and would have agreed to pay two-thirds of the balance over the remaining period of the contract, and would have earned a conditional grant of $1,400.

The effect of this amendment would be to end up in that position, with a man having a conditional grant not of $2,320, but of $1,400, if the whole $1,200 stock and equipment was spent for land.

Mr. THOMAS: I would take it, sir, that this would only be done in the case of necessitous circumstances, where a full-time farmer had gone on the rocks, and this adjustment was made for the purpose of salvaging the operation as far as possible.

The VICE-CHAIRMAN: This is at the veteran's request?

Mr. RUTHERFORD: It is always on the veteran's request; he asks for it himself.

The CHAIRMAN: Have we any more questions, gentlemen, on subsection (3)?

Subsection (3) agreed to.

On subsection (4)—

The CHAIRMAN: Are there any questions?

Mr. THOMAS: Mr. Chairman, we have been making a practice of having Mr. McCracken explain each subsection as we go along.

Mr. MCCRACKEN: This is a matter of taking out something that is actually redundant. Subsection (8) of section 11 in this act says that proceeds from "commercial fishing equipment" shall be substituted for the words "livestock or farm equipment".

Actually subsection (2) of section 10 of the act says:

> In this act, except in subsection (3) of section 10, the expression "livestock and farm equipment" in the case of a veteran certified by the director to be a commercial fisherman includes commercial fishing equipment".

In other words, there is no actual need of this subsection (8) in section 11.

Subsection (4) agreed to.

On clause 4—Director may require insurance policies.

Mr. McCRACKEN: Sections 16 and 17 are the provisions in the act which, first of all, require the veteran to insure his property; and in section 17, that he pay taxes. In both these sections authority is there for the director to pay the insurance and to pay taxes, if the veteran fails to do so, and to charge to the man's account the amount of the special advances, as we call them, which the director has to pay for insurance or taxes. At the present time, the rate of interest chargeable on the special advances so made is 3½ per cent.

The amendments proposed are, firstly, to include in section 16 authority, or the requirement that a veteran will insure, in favour of the director, property which is held or taken by the director as security for a loan under part III.

In other words, the man gets a part III loan of X dollars under this legislation. At the present time he is required to insure in so far as the part I property is concerned, or the part I security. It will be pretty hard to separate what is part I and what is part III security, if the part III loan is used to put up a building. So this first provision is to incorporate in section 16 the requirement that the veteran will insure the security for both part I and part III loans.

The second amendment is with regard to the change or increase in the interest rate from 3½ per cent to 5 per cent.

We have found that veterans have found to their financial advantage to require or force the director into the position of paying for the insurance coverage or paying for arrears of taxes, and then having the amount of the special advances charged to their account with interest at 3½ per cent.

Mr. HERRIDGE: That means the boys have been borrowing at the bank at a higher rate of interest?

Mr. McCRACKEN: That is right.

Mr. HERRIDGE: I would praise their astuteness in that.

Mr. RUTHERFORD: Most municipalities charge around one per cent per month, and that is instead of three and one half per cent, so they save by not paying taxes. That is not a very good principle.

Mr. PUGH: Why do they always put the words "may require that the veteran shall insure"? Surely, it should be mandatory that there would be insurance carried?

Mr. McCRACKEN: In some cases, Mr. Pugh, we might not require a man to insure his livestock and farm equipment. As a matter of administrative practice, we have never yet required a man to insure livestock and farm equipment. This will provide us authority for doing so, and we may find it feasible to require a veteran to insure livestock and farm equipment where it represents an appreciable part of the security taken for a part III loan.

Mr. PUGH: I did not realize that was in there. On land I know the department is always very very quick in making sure you have your insurance up to date.

Clause 4 agreed to.

On clause 5—Reference of rescission to board in adjacent province.

Mr. McCRACKEN: There are three areas in the country where our district administrative boundaries do not correspond with the provincial boundaries.

One is in our Alberta district, which has supervision, or operates in the Peace river block of British Columbia.

Secondly, our Manitoba district has control of operations in northwestern Ontario, down to the Port Arthur, lakehead area. The third area constitutes the Magdalene islands, which are part of the province of Quebec, but which come under the operational control of our Atlantic district.

I do not think there has ever been a case from the Magdalene islands. I do not know, but I do not think there has been a case arising yet in the Peace river block of British Columbia, controlled by our Alberta district. I think there has been one case in northwestern Ontario, where we found it necessary to seek the consent of the provincial advisory board for the rescission of a veteran's agreement.

Because the operations in that area are under the Manitoba district, we found it far more convenient and satisfactory to have the provincial advisory board for Manitoba deal with that particular case in northwestern Ontario.

We have the same situation which would apply in the Peace river block of British Columbia; and, similarly in the Magdalene islands.

Clause 5 agreed to.

On clause 6—Sale on new terms.

Mr. McCRACKEN: With regard to clause 1 I mentioned that we never had used section 10, subsection (4a), but if a veteran wished to dispose of his property by assignment of his agreement, we had the veteran convert to what we call a civilian purchase contract, which does not involve having the veteran assign to his civilian assignee certain provisions in the contract which we consider are applicable only to veterans.

The procedure involved was to obtain a quit claim deed from the veteran, and then the procedure under section 23 of the act was to sell to the veteran on civilian terms, which are incorporated in the agreement; and that contract he then assigned to his civilian purchaser or assignee.

The purpose of clause 6, which is the new section 23A, would be to provide a more expeditious method of carrying out that procedure, whereby after the veteran notifies the director that he does not wish to be bound by the provisions of his contract, to terminate that contract and enter into a new contract with the director on the civilian purchase basis.

Mr. THOMAS: Mr. Chairman, might I ask what changes would be made there? Would it be with regard to the interest rate only?

Mr. McCRACKEN: There would be a change in the interest rate from 3½ to 5 per cent; and if they earned the conditional grant—and in most cases we are dealing with now, where they are converting, they have earned their conditional grant—that has been already earned.

If he had not yet earned his conditional grant, then by converting his veteran's agreement to a civilian agreement, there would be no conditional grant under it. However, he would then be entitled to secure his re-establishment credit.

Mr. THOMAS: Would the conversion of the interest rate go right back to the original date of the agreement?

Mr. McCRACKEN: No, he would pay 3½ per cent interest from the date of the veteran's agreement up to the date of the conversion; and the five per cent would be payable from then on.

Mr. PUGH: Has the re-establishment credit ever been turned down? You mentioned that he would get his re-establishment credit, if he had not received the benefit of the grants. In that case, has re-establishment credit ever been turned down?

Mr. McCRACKEN: If he had received the conditional grant?

Mr. PUGH: No, if he has not received them.

Mr. MCCRACKEN: I do not know of any case. Offhand I cannot think of any reason why re-establishment credits would not be given to him, because there would be no loss to the director, and there would have been no benefits.

Mr. PUGH: The only reason I asked that is that some people asked me, some years ago, with regard to this. The idea was that they were selling at a profit after holding it for, say, five years and they did not get their re-establishment credit in that case.

Mr. LUCIEN LALONDE (*Deputy Minister, Department of Veterans Affairs*): This type of policy existed prior to 1950. Where a veteran sold at a profit, he was charged a percentage of that profit as a benefit.

In 1950 the policy was changed. The profit was considered to be a capital gain, and it did not affect his re-establishment credit.

Mr. PUGH: So, now the matter is cleared up?

Mr. LALONDE: That is right.

Clause 6 agreed to.

On clause 7—

Mr. MCCRACKEN: Earlier, in response to a question, the director mentioned that the act sets up the director as a corporation sale and, as such, he is an agent of Her Majesty in right of Canada.

By virtue of, and by way of that legal position provinces, municipalities, municipal or provincial authorities, or certain corporations who otherwise have the right and power to expropriate, or take and use land for public purposes, do not have the right to expropriate land title to which is vested in the director. In addition to that provision, there is a provision in section 11, dealing with sales of a veteran's property, which requires that the veteran must consent to a sale.

A combination of those two things has resulted in some cases arising where veterans—whose property, either in whole or in part, has been required by a province, municipality or corporation for public purposes—have demanded, because of their privileged and commanding position, an unreasonable sale price. I think the vast majority of these cases have been settled fairly amicably.

Mr. HERRIDGE: What about the occasional shot-gun?

Mr. MCCRACKEN: I said fairly amicably; but they certainly involved an awful lot of administrative work. This proposal which is similar to section 35 of the Indian Act, would permit the settlement of such cases in the ordinary fashion. That is, if the veteran were not a veteran under the V.L.A., if he were buying the property under a mortgage or a private agreement of sale, and there was a dispute, or if he and the expropriating party could not get together and settle upon the compensation to be paid, the matter would go to arbitration.

The purpose of section 24-A is to permit that sort of thing to be handled in that way, where the veteran or the municipality cannot get together on a reasonable sale price.

Mr. RUTHERFORD: I think it should be said that it does not go to arbitration unless the director considers that the man is asking an exorbitant price. It they cannot settle—when, suppose a corporation offers $10,000 while the man wants $20,000. And we think that $15,000 is right, then they have to pay the farmer that amount.

Mr. HERRIDGE: What has been the practice before this? For instance, I am thinking of one case where a provincial government put a 100 foot roadway right through a veteran settler's best field. The veteran himself was under the impression that since it was the provincial government, he was

helpless. Previous to this act, could the director of the V.L.A. stop the provincial government from going across that property?

Mr. RUTHERFORD: The government could do it without the veteran's consent.

Mr. HERRIDGE: Their engineers went through this property and built the road; they bulldozed the stumps and rocks on about five acres of land and built the road. Finally they settled the matter.

Mr. RUTHERFORD: We have a lot of cases where we have had to spend weeks of time trying ot get the veteran to settle for a reasonable amount. We have had roads built around a veteran's land because he would not settle. But this will keep it down where the veteran is asking too much.

Mr. HERRIDGE: Would it be safe to tell a veteran, that when a highway is approaching his property: "do not let them on your property, but get in touch with the director of the V.L.A.?

Mr. RUTHERFORD: I would not try it.

Mr. MCCRACKEN: I think that our field staff by and large are there ahead of the engineers because they hear about these things very quickly.

Mr. HERRIDGE: Now that may be the case; but in the early days they got caught, so to speak, with their pants down on occasion because they had not had experience with it; it happened before they realized about it.

Mr. FORGIE: Would the matter not be determined by the exchequer court rather than by arbitration? The director is the crown, and would the case not go to the exchequer court rather than to be decided by arbitration?

Mr. TAYLOR: It is provided for in the amendment that the arbitration procedure provided by the province where the land is situated would be the authority which prevailed.

Clause 7 agreed to.

On clause 8—Time limit on obtaining benefits.

Mr. MCCRACKEN: I do not think there is a great deal of explanation required on clause 8 other than what it says. There is no deadline in the act at the present time for settlement.

Section 13, I believe, of the War Service Grants Act, states that a veteran, in order to be eligible under the Veterans' Land Act for Part I assistance, must repay his reestablishment credit and thereby restore his eligibility, but not later than September 30, 1962. This is analagous thereto.

Clause 8 agreed to.

On clause 9—Repeal.

The CHAIRMAN: This seem to be self explanatory.

Mr. HERRIDGE: Has that provision not been made entirely unnecessary since the act was first drafted?

Mr. LALONDE: Since they amended the Post Office Act is has become unnecessary. Originally it served a useful purpose.

Clause 9 agreed to.

On clause 10. Grant not in addition to other grant or sale.

Mr. MCCRACKEN: The only change to clause 10 is the insertion or addition of the figure "23" around line 30. That came about through its being tied in with the amendment outlined in clause 7. In other words, section 38-5 of the Veterans Land Act provides now that the veteran who is established under 10 or 15 of the act, provided he repays to the director, with interest, the moneys expended on his behalf, could be granted an establishment on provincial or dominion land, or vice versa. It is conceivable that a veteran might have been established under the act under a contract entered into with the

director under section 23. We have no knowledge of such a case, but it is possible that there is such a case, and that the veteran might possibly come along at a later date and say that he would like to be established on provincial land, and give up his establishment that he is on right now. This was to take care of it. When amending the act we proposed that the figure 23, from section 23, should be put in.

Clause 10 agreed to.

On Clause 11—Grant not in addition to other grant or sale.

Mr. McCRACKEN: This relates to Indian veterans, both those who are now settled on Indian reserve land, or if there happens to be one or more Indian veteran who is settled under the act, but not on Indian reserve land, and who might wish to change his establishment from non-reserve to reserve land. It is similar in principle and practically word for word with the existing section, 38-5.

Mr. MONTGOMERY: He would lose nothing by changing over?

Mr. McCRACKEN: No sir.

Clause 11 agreed to.

On clause 12.

Mr. McCRACKEN: This is consequential on the amendment to section 23-A. Section 41 now contains a long list of items on which the governor in council may make regulations. But because section 23-A contains the term prescribed, the drafter, in the Department of Justice, considered he should put in another clause, "(fa)" in section 41, authorizing one other item for which the governor in council could make regulations. Actually, we have a regulation today—regulation 32, I think it is—which says that the rate of interest on sales to persons other than veterans, shall be at the rate charged under the Canadian Farm Loan Act.

Clause 12 agreed to.

On clause 13—1953-54. C.66, S.10.

Mr. McCRACKEN: Clause 13 relates to the elimination of paragraph (b) of section 46 of the act. We are now in Part II. Paragraph (b) of section 46 under Part II now prohibits the veteran who has been paid an allowance for more than nine months while taking a university course from getting assistance under Part II. The purpose of this amendment is to do away with that prohibition, or repeal it.

Mr. THOMAS: I am not just clear on that explanation. If the veteran has collected a grant by taking a postgraduate course at university for a period of more than nine months, did I understand that that clause is now repealed? Is that right?

Mr. RUTHERFORD: Up to now he could get it for nine months only. This is extending it to those who have gone over nine months.

Mr. THOMAS: Up to this moment if they had taken the course for nine months?

Mr. RUTHERFORD: They could still get it under Part II of the act.

Mr. McCRACKEN: They could have Part I if they repaid the amount. University training under the Veterans Rehabilitation Act, reestablishment credit under the War Service Grants Act and assistance under Part I of the Veterans Land Act, are alternative benefits. A veteran who had university training for less than nine months is eligible for assistance under Part I, provided he repays the cost of that training. Similarly, a veteran who has used his re-establishment credits is only eligible under Part I if he repays the amount of his reestablishment credit.

Because there is no conditional grant under Part II of the Veterans Land Act, a veteran who desires assistance under Part II to build his own home is

not required to repay any reestablishment credit he may have used, nor, alternatively, is he required to repay the cost of any university training he may have received for a period of less that nine months.

Under these circumstances, it is considered that paragraph (b) of section 46 represents an anomaly with respect to the veteran who had more than nine months university training, and the purpose of this amendment is to remove that anomaly.

Mr. THOMAS: They do not have to repay anything from here on?

Mr. MCCRACKEN: That is right. Under part II there are no conditional grant benefits derived per se.

Mr. LALONDE: Until now they could not repay the training costs to get an establishment under part II if they had more than nine months training. This removes the prohibition and places them in a better position under part II.

Mr. PUGH: Does that cover many veterans?

Mr. LALONDE: No. I know of only two cases.

Clause 13 agreed to.

On clause 14—Where land not owned by director.

Mr. MCCRACKEN: This is to take care of the veteran who holds land under a long term lease, rather than the person who holds clear title to his property. At the present time the director can make assistance available under part II either on land to which the director already holds title, or on land which the veteran conveys or causes to be conveyed to the director.

The man who holds land under a long term lease is therefore not in a position to get any assistance under part II. This was brought to our attention by the Canadian Legion. A veteran wished to build in a national park—I think it was at Jasper. And I might say at the same time it is possible under the National Housing Act to secure, or to have a loan approved under that act, for a man who wishes to build on property to which he holds a long term lease—so that clause 14 is to permit the director to make financial assistance available under part II to a veteran, if that veteran happens to hold a suitable piece of land under a long term lease, the leasehold interest of which he assigns to the director.

When the construction is complete, the director will reassign that leasehold interest to the veteran subject to the first mortgage in favour of the Central Mortgage and Housing Corporation, or an approved lender.

Mr. FORGIE: What is the definition of a long term lease?

Mr. MCCRACKEN: I do not think they specify it, but I would consider it was one which was at least as long as the mortgage. I think they would tell you they think it might be five years longer than that.

Clause 14 agreed to.

On clause 15.—Director may enter into construction contract.

Mr. MCCRACKEN: There are two purposes in the amendments of clause 15(1). The first is to revoke, repeal or eliminate one of the limitations now in section 48(1): that is, that the cost to the director cannot exceed 85 per cent of the market value of the land and the proposed dwelling, as estimated by the director.

As the director mentioned in his statement, actually we have not found that the cost is running to 85 per cent because, first of all, of the equity the veteran has in this proposition by virtue of the land and, secondly, by virtue of the owner-labour content which he puts into the construction of his own home.

The second item is for the purpose of raising the ceiling to $10,000.

Mr. RUTHERFORD: Colonel Griffith is the head of the construction division and as these are matters relating to construction, perhaps he would give the answers to these questions.

The CHAIRMAN: Have we any questions on clause 15(1)?

Mr. THOMAS: I think a little further explanation would be of value. This appears to be cutting down the privileges which veterans presently enjoy. I may have misunderstood the explanation but, as I said, the explanation previously under section 48 sets out that a veteran can borrow up to 85 per cent of the market value of the land and proposed dwelling as estimated by the director. That is being repealed.

Mr. RUTHERFORD: You can get up to 100 per cent, according to the bill.

Mr. THOMAS: Well, that is all right, as long as there is no curtailment.

Mr. RUTHERFORD: No one has ever asked for that much, so we thought it was just as well to take it out.

Mr. THOMAS: You are taking out just the figure 85?

Mr. RUTHERFORD: Yes.

Mr. MACEWAN: As I understand it, the appraisal of these values is made by your district construction men; is that correct?

Mr. H. C. GRIFFITH (*Superintendent, Construction Division, Soldier Settlement and Veterans Land Act*): Yes, they are analyzed and set by our own construction supervisors within each area.

Clause 15 (1) agreed to.

On clause 15 (2)—additional payment may be required.

Mr. MCCRACKEN: The purpose of clause 15(2) is consequential on the amendment in clause 15(1) where we eliminate the existing paragraph (a).

As section 48(2) of the act now reads it makes reference to paragraphs (*a*), (*b*) and (*c*) of subsection (1). Because we are eliminating one of the paragraphs, it reduces it to simply two paragraphs to which to refer, so it is consequential.

Mr. RUTHERFORD: You appreciate, gentlemen, that this is a rather important amendment in that there is an increase from $8,000 to $10,000.

Mr. HERRIDGE: That is for those building under that section that is administered by C.M.H.C., is it not?

Mr. RUTHERFORD: Yes.

Mr. THOMAS: In other words, a veteran can borrow now up to $10,000.

Mr. RUTHERFORD: We can advance that amount during the period of construction.

Mr. THOMAS: Without reference to any proportion of the value of the property?

Mr. RUTHERFORD: That is right.

Mr. GRIFFITH: The value is put there before you advance the $10,000. At the present time, the V.L.A. will advance or loan $8,000 toward a contract, which will develop into a mortgage with C.M.H.C. Because of the increase in costs of labour and materials, we felt that this figure of $8,000 should be increased to $10,000, which will be available from the director of the V.L.A. in order to assist him in obtaining the mortagage from the corporation.

Mr. THOMAS: But at present it is 85 per cent.

Mr. GRIFFITH: But that 85 per cent is for the estimated cost of the contract itself, or the proposed house, you see; but as the director mentioned a moment ago, we have kept within the 85 per cent. In other words, we have been building houses that should be appraised at $10,000 by C.M.H.C. for $8,500. Therefore, there is no point in setting the 85 per cent limitation on it.

Mr. LALONDE: There is something else about this, Mr. Thomas. If you read the present clause in the act it says:

> 85 per cent of the market value, or the amount of the loan approved by the corporation, or $8,000, whichever is the least.

Mr. THOMAS: Yes, I see.

Mr. LALONDE: So, increasing the amount to $10,000 and taking out the 85 per cent has no effect on the amount of money a veteran can borrow because of the provision that existed before, i.e. "whichever is the least".

Mr. MONTGOMERY: Mr. Chairman, I think we all have a feeling of confidence in these trained personnel and that they are not going to advance more money than the selling value of the property when it is completed.

Mr. GRIFFITH: They could not do that because the corporation would step in and override any amount we went beyond their appraised value. There is a stopper there. Another example is where you may have construction in an area where the corporation does not lend up to the full value of construction itself. In other words, there are areas where they have deductions from 5 per cent and all the way up to 20 per cent in the amount of loans available in certain areas. I hope you can follow what I mean. In other words, there are areas where perhaps a house valued at $10,000 would be appraised at only $8,000 because of the type of area in which it is situated. Now, so far as we are concerned, if you had the 85 per cent limit, it would penalize the veteran to a greater degree.

Clause 15(2) agreed to.

On clause 16—assignment of construction contract.

Mr. MCCRACKEN: Clause 16 is to provide a mechanism for permitting a veteran who is in the course of building his own home under part II and finds it necessary—possibly because he is transferred by his employer—to give up that contract. It permits him to assign the construction contract to another veteran. The new veteran will complete and upon completion of the house will take over the N.H.A. mortgage. Up until the present time in the case of a veteran who found it necessary—and I think there have been very, very few of them—to give up his contract, the only method we have had to deal with it was under section 53, and that was to terminate the contract and then sell, and any surplus which might be left over would go to the veteran. This arrangement will be far more expeditous and more practical. It is similar or analogous to what we term a veteran to veteran sale under the act proper, under part I, where a veteran is established as a small holder and when he is moved by his employer he finds another veteran, who wishes to be established under the act, to purchase his property.

A sale takes place under section 11 and the money, which is actually in the nature of sales proceeds is either redisbursed in purchasing another property for the first veteran, or the surplus is refunded to him. This mechanism that is sought by clause 16 is analogous to the veteran to veteran sale that takes place under clause 1.

Mr. STEARNS: What happens if a veteran cannot find another veteran to take that over?

Mr. MCCRACKEN: Then we would have to resort to section 53 or, alternatively, it might be possible, if the thing has progressed far enough, to have what we call a contract amendment, whereby the contract is considered to have been completed to the stage that construction has progressed and the director might convey to the veteran, upon repayment of the amount that has already been advanced.

Clause 16 agreed to.

On clause 17(1)—collateral agreements.

Mr. McCRACKEN: There are two provisions there which amend section 49(1). The first is consequential on the preceding clause, which introduces section 48(A), and that is when one veteran assigns his construction contract to a second veteran. This amendment in section 17 requires that the second veteran sign a collateral agreement, the same as the first veteran had been required to do.

Under that collateral agreement he agrees, upon completion of construction, that he will execute a mortgage in favour of C.M.H.C. or some other approved lender.

The second amendment is contained in paragraph (a), which sets forth that he will execute a mortgage under the National Housing Act, 1954, in favour of the corporation or an approved lender for the outstanding amount advanced by the director under the contract. We have had some cases where veterans, through fortuitous circumstances, have received a windfall, by uncovering a rich aunt or uncle, or, possibly, they have found a source of mortgage money at an interest rate lower than that of N.H.A., as a result of which they found they required no mortgage at all, or a mortgage for less than the amount of the approved loan, or they would like to get a mortgage from someone other than C.M.H.C. or an approved lender. Up until now there has been no formal authority to permit the man to get away with no mortgage at all, or a reduced mortgage, or with a mortgage with someone else.

By virtue of these words, it is intended that if the veteran under these circumstances repays all or part of the moneys advanced by the director during the construction contract, then the mortgage could be available for either nil amount or for the actual amount advanced by the director.

Mr. HERRIDGE: It seems to make common sense.

Clause 17(1) agreed to.

On clause 17(2)—forgiving of payment of mortgage where veteran living on land.

Mr. McCRACKEN: I am sorry there is one further amendment in section 49(1) that I did not cover; that is set out in paragraph (b).

Mr. MONTGOMERY: That is new.

Mr. McCRACKEN: Yes, it is a new one.

Paragraph (b) provides that if the land on which the veteran builds his home was owned by the director—that is they bought a lot on a V.L.A. subdivision—the director could require the veteran to give in favour of the director a second mortgage for the difference between the cost of the lot to the Director and its market value. You must bear in mind that some of the property being developed or that has been developed by the director in the past one or two years, is land that was purchased for backlog purposes in 1945 or 1946. It will be understood and realized that there is a very considerable spread between its present day market value and the cost to the director. In fact, in one subdivision close at hand the difference between the cost to the director of the subdivision lots and the pesent day market value of these lots is about twice the amount of the conditional grant that is available to a veteran who is being established as either a small holder or full-time farmer.

The purpose of this proposal is to permit the director to require that such a veteran give to the director an interest free second mortgage for a period of up to 10 years, covering the difference between the cost to the director of the subdivison lot and its market value as established or determined by the director. In other words, if the cost to the director of the lot, we will say, is $2,200,

and the market value of that lot as determined by the director at the time of sale to the veteran is $5,000, then the amount of the second mortgage would be for $2,800.

Mr. SPEAKMAN: That is where the director makes a profit for the crown?

Mr. MCCRACKEN: This is where the director would only make a profit for the crown if the veteran did not remain on the property for the period of the second mortgage.

To explain this particular clause, one almost has to get into the next clause, which provides that the second mortgage will be of a self-liquidating nature as long as the veteran remains on the property.

Mr. MONTGOMERY: He does not have to pay any of that back, as long as he stays?

Mr. MCCRACKEN: Yes.

Mr. HERRIDGE: You mentioned this land was purchased in 1945 or 1946 as a backlog. How does it come about that the Veterans Land Act administration owns lots of this size, if that act was amended in as far as part II was concerned?

Mr. MCCRACKEN: This particular piece of land I am thinking of was bought with the intention of developing it for part-time farming purposes, but it was also dependent on city services being installed, and city services only became installed last year. It was only possible to install city services last year, I think, and the cost of those lots for part-time farming purposes would be prohibitive.

In other words, I think the average cost of these city-sized lots, with an average of 60 feet frontage, was $2,200; that was with the cost of all services, except black-top roads, fully installed and paid for by the director. The present day market value of those particular lots would be in the neighbourhood of $5,000.

Mr. HERRIDGE: I see; they were later subdivided?

Mr. MCCRACKEN: That is right. It was not possible to subdivide them in that intervening ten or twelve-year period.

The CHAIRMAN: Is clause 17 carried?

Clause agreed to.

The CHAIRMAN: Clause 18.

Mr. MCCRACKEN: Clause 18 is consequential on the amendment that I referred to in clause 17(1), with respect to the words "if any". In other words, there may not be a mortgage. If the veteran paid back all the money advanced by the director, there would not be a mortgage, and those words "if any" have been put in to take care of that situation.

Clause 18 agreed to.

The CHAIRMAN: Clause 19.

Mr. MCCRACKEN: If we had to terminate a construction contract entered into under part II, we could either complete the house and then sell it, or we could try and sell the incompleted house. We have never had such a case, but it is possible that a case might arise where sale could not immediately be made at a reasonable price and the director would find it advisable to enter into a lease.

This provision would permit the director to treat the lease proceeds in the same manner as he would treat sale proceeds when he finally sells the property. At the present time, when the director sells the property, the proceeds are held for a period to determine wehther there are any creditors. If there are any creditors, the money is paid into the Exchequer Court. If there are no

creditors, or if, out of the money paid into the Exchequer Court, there is a surplus, that surplus is paid to the veteran.

At the present time, if there were any lease proceeds, there is no authority in the act to include the rental moneys with the sale proceeds. If there are any lease proceeds received, they will go to the benefit of the veteran.

Mr. MONTGOMERY: Is there any limit on the time in which you would hold the proceeds to find out whether there are creditors?

Mr. MCCRACKEN: Yes, section 53 of the act says that after the sale is made and the director takes out his costs, the proceeds or the surplus shall be held by the director for a period of 30 days after the date of sale for disposal, as provided in section 54.

Then section 54 says:

> (1) At any time during the period of thirty days referred to in subsection (2) of section 53, any person having a claim against the veteran or his estate for materials supplied or services performed in respect of the property sold may file with the Director a statement setting forth the details of such claim and verified by statutory declaration.

Then subsection (2) says:

> (2) At the expiration of the period of thirty days referred to in subsection (2) of section 53—

That is, in the first thirty day period—

> —if no claims have been filed with the Director in accordance with subsection (1) the Director shall pay the surplus to the veteran or, in the case of a deceased veteran, to his estate, but if within that period one or more such claims are filed with the Director in accordance with subsection (1) the Director shall retain the said surplus for a further period of thirty days—

in which to give the creditors and the veteran an opportunity to see if they can come to some agreement as to settlement.

> (3) If, upon the expiration of the further period of thirty days referred to in subsection (2), any claim filed with the Director, in accordance with subsection (1) remains unpaid, the Director shall, upon application to the Exchequer Court of Canada and in accordance with the order of the Court, pay the full amount of such claim into Court and shall pay the remainder, if any, of the said surplus to the veteran—

So you have a period of, at least, 60 days.

Mr. MONTGOMERY: I notice that you have never had any case in which you looked after a lien. A builder can put a lien on land on which he has a house, in some provinces.

Mr. MCCRACKEN: They have put some on, but we have never found they are of any value. The technical position is they are not of any value.

I think one effect of a builder putting it on is that it has brought the matter to a head, so to speak, and has made sure there was some action taken to get the veteran and the creditor, or the supplier together.

Mr. GRIFFITH: We usually step in where cases of that kind develop.

As a rule though, we are pretty well on top of these things and liens are rather a rare case. But, occasionally, they do happen where there is some "hanky-panky" going on in the proceedings. Then we step in and get the account straightened out, unless he has gone over his head, and then it is a long term period.

We have a very great regard for the suppliers who are helping our boys out, and we do feel we have an obligation to try and keep their accounts in line, provided they inform us of the situation in each individual case. We follow them very closely.

Mr. SPEAKMAN: Do these housing laws apply to full-time farmers? Under the V.L.A., can a full-time farmer get a loan?

Mr. MCCRACKEN: He would normally get his requirements for building a house under the part III provisions.

This part II relates to homes built by veterans themselves, where they end up with a mortgage under the National Housing Act.

Mr. MCINTOSH: Mr. Chairman, one more remark with regard to the farm home. In the province of Saskatchewan, where you cannot put a lien on a house, how does that apply there, in the rural areas?

Mr. MCCRACKEN: Actually, Mr. McIntosh, the act provides that no liens can apply against property to which the director of the veterans act holds title. Until such time as this veteran who is building his house under part II, or until such time that a man established under part I, a small holder or full-time farmer, completes his contract, the title to the land is held by the director as an agent of Her Majesty in right of Canada.

Actually, a lien cannot apply. They are sometimes put on, but when it boils right down to it, they are of no value; they are not valid.

Clause 19 agreed to.

The CHAIRMAN: This brings us to a logical place in the Bill for a break.

Mr. FORGIE: I move we adjourn.

The CHAIRMAN: Before we adjourn, let me remind you that we shall meet again on Wednesday at 3.30 p.m. Part III remains for discussion. We have a request from one organization to appear before us. We could hear them on Wednesday if we find we have sufficient time, or we could delay it until next Monday. What is your advice?

Mr. FORGIE: Let us finish the act.

Mr. SPEAKMAN: Yes, let us finish the amendments to the act.

Mr. CLANCY: They can wait until Monday.

Mr. MONTGOMERY: We could hear the delegation on Monday.

The CHAIRMAN: Very well, we shall hear the delegation a week from today.

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

RECEIVED
JUN 5 1959
Library of Parliament

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 15

Bill C-50, An Act to amend the Veterans' Land Act

WEDNESDAY, MAY 27, 1959

WITNESSES:

Messrs. Lucien Lalonde, Deputy Minister, Department of Veterans' Affairs; T. J. Rutherford, Director, Soldiers Settlement and Veterans' Land Act; C. H. Scott, District Superintendent, Atlantic District; W. Strojich, Superintendent, Property Division; and D. M. Thompson, Director, Service Bureau, Canadian Legion.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

21300-9—1

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.,

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

Badanai	Herridge	Peters
Batten	Jung	Pugh
Beech	Kennedy	Roberge
Benidickson	Lennard	Robinson
Broome	Macdonald (*Kings*)	Rogers
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

WEDNESDAY, May 27, 1959.

The Standing Committee on Veterans Affairs met at 3.30 p.m. this day. The Chairman, Mr. Walter Dinsdale, presided.

Members present: Messrs. Beech, Carter, Denis, Dinsdale, Fane, Forgie, Fortin, Herridge, Lennard, Macdonald (*Kings*), MacEwan, MacRae, Matthews, Montgomery, O'Leary, Speakman, Stearns, Thomas, Webster and Winkler—(20).

In attendance: Mr. Lucien Lalonde, Deputy Minister, Department of Veterans Affairs; Mr. T. J. Rutherford, Director, Soldiers' Settlement and Veterans' Land Act; Mr. A. D. McCracken, Senior Administrative Officer; Mr. H. C. Griffith, Superintendent of Construction; Mr. W. Strojich, Superintendent, Property Division; Mr. W. F. Thomson, Superintendent, Supervision and Collection; Mr. C. H. Scott, District Superintendent, Atlantic District; Mr. S. O. Robinson, Supervision and Collection Division; Mr. W. G. O'Brien, District Superintendent, Edmonton District; and from the Canadian Legion, Mr. D. M. Thompson, Director, Service Bureau.

The Chairman observed the presence of quorum.

On the motion of Mr. Forgie, seconded by Mr. Montgomery,

Resolved,—That a document forwarded to the Chairman by the National Council of Veteran Associations in Canada relating to "Imperial Pensioners' Widows" be printed as an appendix to today's proceedings. (*See Appendix "A"*)

The Chairman called Clause 20 of Bill C-50, An Act to amend the Veterans' Land Act, and introduced Mr. D. M. Thompson, Director of the Service Bureau of the Canadian Legion.

Mr. Thompson spoke from a prepared text, copies of which were distributed to members of the Committee, expressing the Legion's views with respect to Clauses 15 and 20 of the Bill.

Mr. Speakman proposed that the following be added as sub-section (e) of Section 63 of the Veterans' Land Act:

> "In any case where a veteran has prepaid his indebtedness to the Director in full, and has, after ten years, taken title to land and livestock and equipment purchased by the Director for him under Section ten (10) (1) this veteran shall not be prohibited from obtaining additional Assistance as specified under Section 63 providing he enters into a new contract with the Director."

Mr. Rutherford and Mr. Lalonde were questioned concerning the effect of the adoption of such a proposal on the administration of the Act.

Following discussion it was decided to stand Section 63 and proceed with consideration of the remaining Sections of Clause 20.

Mr. Scott was called, and reviewed the benefits available to fishermen, particularly those engaged in their occupation off the Atlantic Coast.

21300-9—1½

Moved by Mr. Herridge, seconded by Mr. Speakman,

That,—The word "family" be inserted immediately following the word "economic" in Sub-section 3 of Section 64.

The motion was negatived, YEAS 2; NAYS 5, some members abstaining.

At 4.55 p.m. members were summoned to the Chamber and the Committee recessed.

At 5.20 p.m. the Committee resumed consideration of Clause 20.

On the motion of Mr. Thomas, seconded by Mr. Forgie,

Resolved,—That the Committee recommend to the House that Section 76 of Clause 20 be amended by inserting immediately following the word "Part", appearing in Line 2, the words "except with the approval of the Minister".

Following further discussion Clause 20 and the Title of the Bill were adopted.

At 6.05 p.m. the Committee adjourned to meet again at 3.30 p.m., Monday, June 1, 1959.

J. E. O'Connor,
Acting Clerk of the Committee.

EVIDENCE

WEDNESDAY, May 27, 1959.
3:30 p.m.

The CHAIRMAN: Gentlemen, we have a quorum. Can we proceed?

There are one or two items that have come to my attention since our last meeting that can be dealt with before we return to Bill No. C-50.

One is a letter from Mr. Hubert Baxter, war amputations of Canada, providing information on the imperial pensioners' widows. You will recall that when the war amps were before us they promised to submit some background information. They have supplied this in the form of a letter, and Mr. Baxter would like to have it brought to the attention of all members of the committee.

I presume the best way to do that is to have it printed as an appendix for the information of the committee. Do we have a motion to that effect?

Mr. FORGIE: I so move.

Mr. MONTGOMERY: Seconded.

The CHAIRMAN: Moved by Mr. Forgie, seconded by Mr. Montgomery.

Agreed.

The CHAIRMAN: Another matter which I mentioned the other day is that we have one group, the Canadian Association of Real Estate Boards who wish to appear before us with a presentation. I have now been informed that the Canadian Legion have a submission to place before the committee, too. I believe it is already in your hands. One problem arises in this connection. The president of the Legion, Mr. Burgess, as well as Mr. Thompson will be out of the city next Monday, and if it meets with the approval of the committee, perhaps we can hear their submission today. Is there any discussion on that point?

Mr. HERRIDGE: I suggest on the basis of good manners and for their convenience, that we hear them at this point.

Mr. LENNARD: When are we going to hear the real estate people?

The CHAIRMAN: On Monday.

Mr. LENNARD: Was that settled?

The CHAIRMAN: Yes. Is that agreed, without formal motion?

Agreed.

The CHAIRMAN: We can proceed now to hear the submission, and then carry on with Bill C-50. Mr. Thompson, I believe you are the spokesman.

Mr. Thompson is here and he will present the brief. Mr. Thompson, if you please.

Mr. D. M. THOMPSON (*Director, Service Bureau, Veterans Affairs*): Mr. Chairman and members, you all have copies of this brief before you and I know that you want to get on with your consideration of the balance of the bill. As you know the brief is not a lengthy one, and any questions you have, if you wish to ask them afterwards, we will be pleased to deal with them.

The Canadian Legion welcomes this opportunity to appear before the committee concerning Bill C-50.

We would, first of all, like to commend the introduction of this bill. We believe that the benefits of the Veterans' Land Act have been invaluable to those veterans established under this legislation, but this bill will make it even

more valuable and will encourage many more to participate. We also want to express our appreciation to the director, and his staff for the excellent work that they have done down through the years to ensure that the full spirit of the Veterans' Land Act legislation has been met. They deserve a great deal of credit for the success of veteran farmers.

We believe that Bill C-50 has been introduced as a means of bringing the provisions of the act more in line with present day costs. We suggest, however, that there is also a need to make some additional provision for the future. With this in mind we would refer specifically to two sections:—
Section 15—that is section 15 of the bill.

The proposed section 48, subsection (1) (b) sets a ceiling of $10,000 on loans under this section. We note that in the past the act has not been amended more than once every four years. Building costs have continued to rise each year. Since it is not likely that the act would be amended annually we respectfully suggest that the amount of $10,000 be increased to $10,500, thereby providing a slight cushion for increases that probably will occur between now and the next amending of the act.

Section 20

This section of the bill proposes a new part III of the Act. In section 64(1) (c), the amount of $20,000 has been set as the maximum financial assistance available. We believe that, although this amount is a definite improvement over the present $9,000 ceiling, it will, in some cases, fall short of being adequate to provide for an economic family farm unit. This view is supported by recent increases in farm loan provisions in two provinces which established maximum credits of $25,000. A study of the Veterans' Land Act survey of fututre credit requirements indicates that a percentage of present V.L.A. settlers would require more than $20,000. These factors, plus the probability that costs will continue to rise and that the act will not normally be amended each year, lead us to recommend that this amount of $20,000, as proposed in the new section 64 (1) (c), be raised to $25,000.

The Canadian Legion firmly believes that the operation of the Veterans' Land Act has been good for Canadian veteran farmers, and we trust that some means will be found to extend the same friendly supervision and intelligent and efficient counselling service to Canadian farmers generally.

We thank you for your kind interest and trust that you gentlemen, concerned as you are with the welfare and future of Canadian veterans and their dependents, will see fit to recommend the two amendments that we have proposed so that this new legislation will not fall short of its objective.

The CHAIRMAN: Thank you, Mr. Thompson. We can now consider the submission, at least, as it refers to section 20 in our general consideration of part III. If that is your wish, are there any comments on the recommendation concerning section 15?

Mr. MONTGOMERY: Mr. Chairman, the other day, when the chairman or the director was explaining this to us, he felt that even the $10,000 ceiling would not be reached for some time, if at all, because this money is loaned for the purpose of being used by people who build their own houses. In that case I am just wondering if the director would have anything further to say. After due consideration by those who have been handling the act it seems reasonable to leave it at $10,000.

Mr. HERRIDGE: Mr. Thompson, your recommendation does not question the fact that $10,000 might be sufficient at this time, but you are just suggesting the other $500 as a cushion, in view of experience and periodic amendments of the act?

Mr. THOMPSON: That is right, Mr. Chairman. You realize that it is not always feasible to amend the act as changes come along, and costs have been rising. We feel the $500 would be a good safety measure, now the bill is being amended.

Mr. BEECH: Mr. Chairman, is it not true also that the reason for the suggested increase has something to do with the increased cost of land, which is making it difficult for people in urban areas? Has it not something to do with that request?

Mr. THOMPSON: The increased cost of land and of building, which has continued to rise. There is no indication that it is not going to continue to rise, and we feel the extra $500 will ensure the effectiveness of this legislation.

Mr. HERRIDGE: Mr. Chairman, I can give you a complete illustration of this. As Mr. Thompson knows, in the village of Castlegar they are commencing to erect a pulp mill, and the value of land available to veterans under this section and of small holdings has nearly doubled in the last three years, and will rise some more in the years ahead, because of the competition for sites.

The CHAIRMAN: Any further comments, gentlemen? Can we go back to bill C-50 and reserve any comments with reference to section 20 to the general consideration?

Agreed.

The CHAIRMAN: Brig. Rutherford, have you any further statement you wish to make before we resume our detailed consideration of the bill?

I presume we should carry on according to the pattern established on Monday; that is, to have commentary on each section as we proceed.

Brigadier T. J. RUTHERFORD (*Director, Soldiers' Settlement and Veterans' Land Act, Department of Veterans Affairs*): I think I have said everything I had to say, Mr. Chairman.

The CHAIRMAN: So that brings us to clause 20.

Mr. MONTGOMERY: It is really section 63; they have changed the number.

The CHAIRMAN: Excuse me. Clause 20, and following the procedure we adopted at our last meeting, we will proceed to section 63.

On clause 20—Cost to the director.

Mr. THOMAS: Since those are definitions, Mr. Chairman, there is not much comment to make.

Mr. SPEAKMAN: Mr. Chairman, in connection with section 63 of the act, I would like to suggest a further clause, to be known as clause (e) and I would like to bring in a little background on it, and then present my suggested clause for discussion.

The Veterans Land Act, as we all know, has been very successful; so much so that a good many of the people who settled in the early days, the more industrious and, perhaps, the more fortunate, have been able to repay their loans. A good many of these people have passed the ten-year stage, and they have now had the opportunity to be given title to both land, livestock and equipment.

When they receive their title at the end of this ten year period, if they take their title they immediately disallow themselves from any further assistance. I mentioned at an earlier meeting of this committee that I had a letter from one of these people who had paid his account and had received his title and had been required of course to sign a waiver to the effect that he would not come back and ask for more assistance.

This veteran is a good farmer like 99 9/10 per cent of V.L.A. settlers; they are good farmers and they are good workers. But I feel there may be some injustice being done to these people, who by their industry have managed to liquidate their indebtedness and to acquire their titles.

I suggest to the committee that a section (e) be added as follows:

Section 63

(e) In any case where a veteran has prepaid his indebtedness to the director in full, and has, after ten years, taken title to land and livestock and equipment purchased by the director for him under section ten (10) (1) this veteran shall not be prohibited from obtaining additional assistance as specified under section 63 providing he enters into a new contract, with the director.

I do not feel that there will be too many people who will wish to take advantage of this. But there will, I feel, be some who are soundly established now but who could make their establishments probably much more effective and more economically efficient. I do not think that these people, because of their industry and because of their thrift, who have acquired their titles, should be prohibited or barred from receiving further assistance. I would like to hear some comments from the officials and from the committee about this.

The CHAIRMAN: Everyone has the suggestion clearly before him, or would he like to have it repeated?

Mr. HERRIDGE: I think we have the gist of it.

Mr. CARTER: It boils down to whether a veteran who has repaid his debt and is considered to be settled, should take advantage of the general farm assistance program, or whether we should continue to develop a separate program for veteran farmers. I think that is the question which has been raised in my mind.

Mr. SPEAKMAN: We must remember that the V.L.A. settler is given a very advantageous interest rate at 3½ per cent, and as the Farm Credit Act stands, he is given a much longer term in which to repay.

Mr. MONTGOMERY: I presume you refer to old time farmers?

Mr. HERRIDGE: Mr. Speakman has had a lot of experience. Perhaps he could illustrate with a case he has in mind.

Mr. SPEAKMAN: I mentioned this case at a previous meeting. A veteran had paid off his indebtedness to the director prior to the ten year period. He established a quarter section farm in an area which was a good district, and he had some very fortunate years. He went into livestock and at that particular time livestock took a very considerable rise in price and he was able, within a very few years, to repay his indebtedness. At the end of ten years he took his title and of course signed the waiver which prohibited him at that time from receiving further assistance.

Now this veteran finds his family is growing. He went and bought further land, but he finds he is paying a rather high rate of interest to the seller of this land, or to the vendor of this land. But if he were allowed to come back and re-enter a contract with the director, it would be of considerable benefit to him.

I feel there may be more of such cases where we can continue to assist the veteran despite the fact that he has completed one contract with the director. I do not think he should be prohibited from re-entering a further contract if he desires additional assistance.

Remember that at the time of his establishment in the first place this veteran was limited to $6,000 for land, livestock and equipment.

Mr. HERRIDGE: This veteran has had to acquire more land to make his farm more of an economic unit under present circumstances, and because of that he is denied this grant?

Mr. DENIS: Can he not borrow under the general farm loan act?

Mr. SPEAKMAN: Yes, of course, but he would have to pay five per cent instead of 3½ per cent and he would get a much shorter term loan. This man is under forty years of age and he could re-enter and have a 25 year period in which to repay.

Mr. O'LEARY: Is he not going to have to pay five per cent?

Mr. SPEAKMAN: No.

Mr. RUTHERFORD: He is not entitled to enter a part I loan, and if he came in for another part III loan, he would have to pay five per cent.

Mr. MONTGOMERY: I think Mr. Speakman has made a very good point. In addition to what he set out as benefits for veterans, why should we consider a veteran as an ordinary civilian since we are opening up the act; and secondly, a very important point in my mind is this: if he gets a loan under the farm loan board, or from any other organization, he does not get the counselling, the help, or the assistance that he gets under the V.L.A. I do not agree that your amendment should come in under 63; I think it should come in under 64. However, that is immaterial. I would support your idea.

Mr. SPEAKMAN: It is presently under 63 in the present act. I did a considerable amount of research into this and I find that this is where it comes in the present act. This amendment would fit into 63 as part (e) and still merge right into the present act.

Mr. HERRIDGE: We could leave that to the legal gentlemen to decide.

Mr. RUTHERFORD: This part of the act has been entirely rewritten so it would normally come into 64 now.

Mr. LUCIEN LALONDE (*Deputy Minister, Department of Veterans Affairs*): I wonder if the members of the committee have lost sight of one point, namely, that we have to administer more than the Veterans Land Act. I am afraid that departmentally we cannot lose sight of it.

The Veterans Land Act is an alternative benefit to certain other benefits under the charter. When a veteran has applied for training, let us say, to become a doctor, and we train him, and he secures his degree and he goes into practice, then as far as the veterans charter is concerned, this veteran is entirely rehabilitated and he joins the army of veterans who have become good productive civilians. But two years later this veteran may decide—and quite rightly—that instead of being a general practitioner he could do a lot better and it would be very advantageous for him to become a specialist in surgery. That veteran comes to the department and says: can I not get more training? We have to say no.

Conversely, a veteran has used his reestablishment credit, let us say, to buy furniture, and he comes to us two years after and says: I want to go into business. That is where I should have used my credits; that is where I should be given some help now. But we cannot do it because the act says that once you have used one of the alternative means of rehabilitation, you are considered to be rehabilitated.

So if you put into the charter a precedent that a veteran who is settled under the V.L.A. can be rehabilitated twice, I think it would have some bearing on other means of rehabilitation.

Mr. SPEAKMAN: On this very point, when I raised this question at an earlier meeting, I was told by the deputy minister that we were the people who could change this.

Mr. WEBSTER: When are we going to get them off the apron strings?

Mr. SPEAKMAN: These people were established on $6,000. Now we are making $20,000 available under this amendment. I think this is being a little harsh on people who are truly qualified as veterans and are entitled.

Mr. WEBSTER: He got his $6,000 when prices were equal to $6,000. The man has been settled, and now he has reached the stage where he wants an expansion. But why should the taxpayers support him in his expansion? He borrowed part of the money at 3½ per cent.

Mr. SPEAKMAN: The government of Canada has loaned no money under the V.L.A.

Mr. MONTGOMERY: There is a distinction, I think, between what Colonel Lalonde has said and this part III. Actually this is purely and simply a loan which will be paid back at five per cent interest. If the man desires he need not take his title or pay off his loan, and he would still be entitled.

Mr. LALONDE: Under the set-up of the V.L.A. as long as the veteran owes money to the director, the title remains in the director. In this case the veteran would have to surrender his title again to the director and he would definitely, therefore, become established a second time. You see it is not a mortgage loan such as is given under the Farm Credit Act.

Mr. MONTGOMERY: I know actually it is not, and theoretically it is not; but from a practical standpoint he could easily beat it by deeding it back as security instead of giving a mortgage. I feel that the veterans will soon find out that they can get around this by not taking title. There will be a few who, in the past, will be stopped from doing it, but I think we might just as well come into the open. I think we can justify ourselves under this new part and take the title back, if the veteran wishes to deed it back as security. But maybe I am all wrong.

Mr. HERRIDGE: Are we not trying to help the veteran who has already done something for himself, when what we want to do is to help the remaining veterans and give them some opportunity whereby they will get the benefit of the interest and the supervision of the department?

Mr. DENIS: Do you not think it would be unfair for other categories of veterans who could not take advantage of that type of loan, as the deputy minister has said? The man could not benefit twice more under the same qualifications. The best thing to do, I think, would be to create a new law to make known that a special rate of interest is available if he wants to take advantage of the general farm loan, because there are provincial loans as well as federal loans. The only difference in the loans as they exist now is the difference of interest. So if the veteran can save 1½ per cent if he borrows under this new amendment, how could the other categories of veterans take advantage of it, or have the same advantage of this section, because, as the deputy minister said, it is an alternative. If he wishes to be a doctor, he can get the necessary training, while the other man chooses to buy a piece of land and he has repaid it. But he could borrow under the Canadian Farm Loan Act which exists in most of the provinces of Canada, and still exists here federally.

Mr. O'LEARY: From what Colonel Lalonde has said it would appear to me that we should be asking for a change in the principle in that we would be asking for duplicate benefits. Maybe I am not correct, but that is my interpretation of what would happen. It would be an entire change of principle.

Mr. THOMAS: From listening to these remarks it appears to me there is some confusion over this interest rate. As I understand it, under the part III loan, both under the existing act and under this amending act, this part III loan had nothing whatsoever to do with provisional grants or the original low rate of interest at which veterans were settled on the land. These part III loans were of the nature of a straight commercial loan at 5 per cent interest on similar terms to the loans made under the Canadian farm loan board. It is

true that the veterans had the advantage of the benefit of supervision and advice and I would think that all veterans still would be entitled to have supervision and advice from the officers who supervised them originally. But I think we should be very careful in taking any action, as suggested by Mr. Speakman. While his proposal has my complete sympathy, I believe that what has been said about breaking the principle on which the whole veterans rehabilitation plan was based, that is, whether it was training, whether it was settlement on the land or whatever it was, the objective was to rehabilitate veterans into civilian life; and once rehabilitated, as has been pointed out, if we make an exception of veterans and rehabilitate them a second time or take any action which might tend to rehabilitate them a second time, I do not see how we could be in a very strong position when it comes to rejecting requests by other groups of veterans for a second chance.

So far as I can see, veterans who have taken title to their land, with the exception of the supervision and advice which they might get from V.L.A. officers, are exactly in the same position as borrowers under the farm loan board as they would be under the V.L.A. I think we should consider most carefully this suggestion, as it might place us in the position of breaking the principle upon which the whole rehabilitation of veterans is based.

Mr. SPEAKMAN: Mr. Chairman, I would like to say something about this. I do not think that any of these dangers which have been pointed out are valid for the simple reason that rehabilitation of a veteran under any other scheme in Canada has been amended, but the V.L.A. is now being amended upwards in relation to the amount of assistance available. These amounts were not available for these veterans in 1946, 1947 and 1948 and, therefore, we are denying the full benefit, which we are now extending, to those original settlers who were good settlers.

Mr. DENIS: Do you not think it would cost more to train a veteran today than it cost ten years ago?

The CHAIRMAN: Is the information correct, that there has been no upward amendment?

Mr. SPEAKMAN: There has been no revision of any other re-establishment under the veterans charter. Under the Veterans Land Act this is the second upward revision in the amount of assistance for which upward pricings were not available when they were established.

Mr. MACEWAN: For the sake of argument, Mr. Chairman, the deputy minister mentioned the principle of the act and that a change as suggested would affect other veterans. Have we not started to make a small inroad on this principle in section 46, which we went over at the last meeting. This amendment is to give a veteran who was paid an allowance under the rehabilitation act a chance to qualify under part II when building a home.

Mr. LALONDE: That is not a rehabilitation benefit.

Mr. MACEWAN: I realize that if a man goes through college he is completely qualified and paid his allowance, and then he wants to build a house, say, in a small town, for the purpose of setting up a practice.

Mr. LALONDE: But he does not get a conditional grant.

Mr. MACEWAN: But he could borrow under the act; that is the idea.

Mr. LALONDE: I am pointing things out to the committee; I am not expressing any opinion as to the validity of the suggestion.

I have another case in mind which I would like to bring to the attention of the committee so that they can mull over it. I am referring to the case of the veteran who received title from the director and for some reason or other decided that he wanted to sell his farm. He now comes back and says "I only sold my farm because I considered I did not have enough money". He

says he wants another farm and a bigger loan because his next door neighbour who took title the same as he did is now permitted to receive another establishment from the director. Now, are we going to be able to accept that argument on the part of this veteran and give him a second establishment?

Mr. SPEAKMAN: Then, Mr. Chairman, may I amend that by saying: where he reverts to the director the title of the land originally purchased for him by the director.

Mr. LALONDE: In the case I mentioned, he has no title to revert.

Mr. CARTER: Then he would not come under this.

Mr. SPEAKMAN: No, he would not.

Mr. MONTGOMERY: Under section 64, which is the next section, how much would the veteran have? Is there any fixed amount or limit to what he might owe on his first settlement before he can get a further loan?

Mr. RUTHERFORD: No. He could get the further loan the day he was settled under part I or, if he is at the point where he is earning his conditional grant he would owe about $2,100 or $2,200, if he had a full loan in the first instance. It would be somewhere in between these two figures.

Mr. MONTGOMERY: Supposing he had it paid down to $100?

Mr. RUTHERFORD: It would be the same; he could get this loan, less $100, and less any amount he owed under a previous part III agreement which he may have had.

Mr. DENIS: Suppose he got that second loan, would the director take his title back?

Mr. MONTGOMERY: He would still have it.

Mr. RUTHERFORD: His title would remain.

Mr. DENIS: Yes, but suppose he wants to borrow again on the same farm, would the director take back the title?

Mr. RUTHERFORD: We would keep the title. We have a great many veterans today—I do not know how many as we have given title to over 8,000—who have paid up, having passed the ten-year period, who are leaving their title with us although they do not owe money. We ask them to sign the certificate which Mr. Speakman mentioned when they come for their title. It is a notification that they have told us they understand they cannot get another loan; otherwise, they would leave the title and be still eligible for a loan under part III, even though they owe no money under part I.

Mr. SPEAKMAN: If they do not take the title they are eligible and if they take the title they are not eligible; that is just splitting hairs.

Mr. DENIS: Take, for instance, a case where after ten years he has his title and does not owe anything. He has his title to his home and he can do whatever he likes on his farm. Suppose he wants to borrow some money again on the same farm; would the director take back the title?

Mr. RUTHERFORD: No.

Mr. DENIS: Suppose a man sold to someone else, say, for a profit of $5,000 and the buyer said he had not enough money, but if he could get from the Veterans Land Act a loan at 3 per cent he would buy his farm. In that case the veteran could go to the director and get the money at 3 per cent and then sell the farm afterwards.

Mr. RUTHERFORD: He could not do that. Civilians pay 5 per cent. If a contract is assigned, it is on a 5 per cent basis.

Mr. CARTER: Is there a provision written into the act which causes them to sign this waiver or are you doing it on your own?

Mr. RUTHERFORD: No. We do that so we will know that they understand they cannot get another loan.

Mr. CARTER: The act does not compel you to require them to do that.

Mr. RUTHERFORD: Not at all. It is an indication that we have told this man if he wants a further loan he has to leave the title with us and if he takes it out he is finished. It is just an indication of that. However, there is the continuing establishment provision. Anyone who sold their farm before the legislation was passed in 1949 can come back and, with the authority of the governor in council, be given a second establishment the same as someone who would sell today and ask for second establishment at the time of sale.

Mr. CARTER: What would be the position of the veteran who refused to sign the waiver and still left his title?

Mr. RUTHERFORD: He does not have to sign.

Mr. CARTER: So he would be eligible under the act for more money.

Mr. FORGIE: If he asked you for a receipt saying he was paid up in full, would you give him a receipt?

Mr. RUTHERFORD: Yes.

Mr. FORGIE: Or he could leave the title with you.

Mr. RUTHERFORD: Yes. It is an indication that we have told him: here is your title if you want it, but if you take it you cannot get a further loan under part III of the act.

Mr. FORTIN: If he does not take it, is he entitled to a second loan?

Mr. RUTHERFORD: It would not make any difference.

Mr. HERRIDGE: The principle of second establishment under the Veterans Land Act has been in effect partially since 1949.

Mr. RUTHERFORD: Yes.

Mr. LALONDE: Under certain circumstances well defined in the act.

Mr. THOMAS: Could we call that a second establishment or a double establishment?

Mr. RUTHERFORD: A continuing establishment; it is on another property but it is the same contract.

Mr. LALONDE: These are veterans who have not earned their conditional grant. In 1949 the law was amended because there were certain provisions which had to be changed. It was because of these provisions that these people had not had a chance to earn their conditional grant, so they were given the chance of a second establishment because of a flaw in the legislation at that time. They earned only one conditional grant in the end.

Mr. HERRIDGE: Mr. Speakman is asking the committee to consider giving these veterans the advantage of our once again remedying a defect in the law.

Mr. FORGIE: How many illustrations or examples have you of people who are asking for this amendment?

Mr. SPEAKMAN: I have but one complaint.

Mr. FORGIE: Would it not be a simple matter when his loan is paid, that he be told as long as he leaves the title with you he can secure a second loan, but if he takes the title away from you he cannot secure that loan.

Mr. RUTHERFORD: That is exactly what we are doing. We warn the man that if he takes title he cannot have a part III loan and as evidence of the fact we have warned him, we have him sign this certificate so he cannot say that he was not told.

Mr. LENNARD: Is that warning verbal?

Mr. RUTHERFORD: Oh, yes, except he signs the certificate.

Mr. FORGIE: You do not rush him into it?

Mr. RUTHERFORD: No.

Mr. LENNARD: It is done verbally?

Mr. RUTHERFORD: Yes, but he signs a slip to say he has been told that has been the practice only since 1955. It was the passing of Part III that made this necessary.

The CHAIRMAN: Gentlemen, I do not want to cut off discussion on this very interesting suggestion, but as I listen to the discussion it seems to me that there is a degree of uncertainty as to the background information. The deputy minister has suggested that there might be a new principle involved here. Mr. Speakman, putting forward the suggestion, has indicated that he would like to reword his suggestion. There is also the possibility that this involves an increased cost to the crown, which of course is beyond the power of the committee to undertake.

That being the case, I wonder if the best procedure at this stage might not be to stand the clause so that we could have some of these uncertain points clarified. Certainly it seems to me—even though Mr. Speakman has suggested that this is a self-sustaining fund—that there is a possibility of a difference of opinion on that score, and I think we should have some expert information.

Mr. LALONDE: This, Mr. Chairman, is definitely a money bill, because the estimates of the director have to be voted each year, and that is why there was a resolution introducing this bill into the house. So that the committee, in this instance, would have to make a specific recommendation to the government to consider amending the bill.

But the committee itself cannot make amendments to any of those clauses because, as I have said before, this is a money bill.

Mr. DENIS: Unfortunately for my good friend, I think the chairman should rule it out of order, and we can see next year—

Mr. HERRIDGE: Mr. Chairman, I move that we consider the remainder of the bill and then get some of the evidence with respect to Mr. Speakman's amendment before we draft the report of the committee on this bill.

The CHAIRMAN: What is the first part of that motion, Mr. Herridge?

Mr. HERRIDGE: That we continue to consider the remainder of the bill.

The CHAIRMAN: Stand the clause for further information?

Mr. HERRIDGE: Stand the clause until we consider the remainder, and then a special consideration of this amendment, with expert advice, prior to drafting the final report of the committee.

Mr. CARTER: Mr. Chairman, I think we have to be very careful which clause we stand because—as has already been pointed out—that new clause would come under 64. It would come under 63 in the old act, but, as rewritten, it would come under 64. So we would have to stand 64.

The CHAIRMAN: To clarify that, I think perhaps we could agree on 63—which concerns itself mainly with definitions—and proceed at this stage to 64, which is really the section we have been discussing.

Mr. SPEAKMAN: Mr. Chairman, it is my respectful submission that this further amendment belongs in section 63 as a clause (e). I spent considerable time over this on the weekend and I got in touch with V.L.A. officials in regard to this part of the act, and it is my respectful submission that this should be a clause (e) in 63.

Mr. HERRIDGE: Mr. Chairman, we can stand the amendment.

The CHAIRMAN: Yes. I think Mr. Herridge's motion is a good one. Can we have a seconder?

Mr. FORTIN: Yes.

The CHAIRMAN: The motion is that we stand this proposal as presented. We are very much in the dark as to several imponderables. Is there any further discussion?

Mr. MONTGOMERY: Mr. Chairman, is there any need to stand 63, or is there any need to stand any? We stand the amendment because—

Mr. HERRIDGE: That is what the chairman said—we are deferring consideration of the proposal.

The CHAIRMAN: Fine.

Mr. MONTGOMERY: If it is considered favourably, they can put it on to whatever section they wish.

The CHAIRMAN: Yes. That is clearly understood; we are standing the proposal for further information.

Some hon. MEMBERS: Agreed.

Mr. THOMAS: Mr. Chairman, is there a motion before the committee?

The CHAIRMAN: There is a motion by Mr. Herridge—and a seconder.

Mr. THOMAS: Do we have a motion for the proposed amendment?

Mr. MONTGOMERY: It was moved by Mr. Speakman, was it not?

The CHAIRMAN: We are not moving Mr. Speakman's proposal as to the amendment; we are merely accepting a motion from Mr. Herridge that the proposal stand for further consideration at our next meeting. I believe that is the intent.

Some hon. MEMBERS: Yes.

Mr. HERRIDGE: Defer consideration of Mr. Speakman's proposal, and proceed with the remaining clauses in the bill.

The CHAIRMAN: Yes.

Mr. STEARNS: Actually, Mr. Chairman, does it not come under the same category as this presentation by the Canadian Legion, which they made in a brief today?

The CHAIRMAN: At this stage, it does, unless Mr. Speakman wishes to pursue it further. Is the motion by Mr. Herridge seconded by Mr. Fortin, agreed to?

Motion agreed to.

The CHAIRMAN: That disposes of section 63, I presume? Does section 63 carry?

Section 63 agreed to.

The CHAIRMAN: Section 64?

On section 64—Assistance loans to full-time farmers.

Mr. SPEAKMAN: Mr. Chairman, may I jump up again? The Legion have sort of stolen my thunder on this, but in my study of this I proposed to ask that the committee consider, or that the amendment be amended to change the amount to $25,000, in conformity with loans which are in existence today in the provinces of Ontario and Quebec—farm loan schemes—which the new government of Manitoba has passed in its recent legislation, and which is now proposed by one of the campaigning parties in the province of Alberta.

I do not feel we should place the veterans of Canada in an inferior position to anybody else, when it comes to the lending of money for their establishment.

Mr. HERRIDGE: Mr. Chairman, as a member of this budding coalition down here, I want to support Mr. Speakman's suggestion. I do think, in view of the legislation that is in effect—and from my knowledge of a good number of veterans who have settled under this act—that the $20,000 is not quite sufficient. I think $25,000 is a figure more in relation to the needs of a good many veterans who would benefit from this act.

The CHAIRMAN: Mr. Speakman and Mr. Herridge, I presume you are putting this forward as a suggestion?

Mr. SPEAKMAN: As a proposal—a suggestion.

Mr. HERRIDGE: With the high expectation of its receiving some support.

The CHAIRMAN: Is there any further discussion? We are on 64 (1) at the moment.

Mr. MONTGOMERY: Mr. Chairman, I think I should perhaps express my thoughts on it, because I heard there would be an amendment coming forward. Again, I must say that I feel that the people who know more about the whole administration of this act than anybody else—including the members of parliament—have come forward with a recommendation for $20,000, and I think they must be pretty satisfied that that is the ceiling they require, maybe not now, but within the next few years.

Of course, I come from the east, and farmers are not so well off as they are in the west, and that sort of thing; but if you make this amount too high, what you are going to do is impose quite a burden, maybe—and I should like to hear from Mr. Rutherford on this—in keeping down loans where, in most cases, they should be held down. I think they know better than most of us; but if money is available, a man will get his member of parliament, or his friends, or anybody on the member's back to try and get him this money. It seems to me that, with all this veterans counselling and lending in the past, they have done a good job, because they were able to convince a man that he had to be satisfied with a certain kind of loan, and there was a ceiling on it. Now the ceiling is being raised, and they are going to have a hard job to keep many fellows down below the ceiling, when maybe they should be kept down.

I realize there is something in what Mr. Herridge and Mr. Speakman have said, maybe, as far as the west is concerned; but there will be a few veterans —I doubt if there will be very many—that would need more than $20,000.

Mr. HERRIDGE: I know one farmer who bought $40,000 worth of equipment alone.

An hon. MEMBER: It is too much.

Mr. MONTGOMERY: I should like to hear from Mr. Rutherford before I say anything else, because at the moment I am not in favour of it.

Mr. LALONDE: Before you put Mr. Rutherford in a very bad spot, Mr. Montgomery, I should like to explain our position. This is a matter of policy and, therefore, I do not think that, as civil servants, we are at liberty to express opinion as to government policy, and we are not at liberty to discuss it. The position that we are in is that we have made certain suggestions through our minister, and cabinet has made certain decisions. We are not in a position at this time to know what the amounts will be in either the Canadian Farm Loan Act or the Farm Improvement Loans Act; the only thing I can say is that the minister has authorized me to say to the committee that he wants to give you the assurance that whatever amounts are in the other two acts—whatever combined amounts are in the other two acts—he will insist that the veterans get the benefit, moneywise, of the same amounts. What those amounts will be, we do not know.

Mr. O'LEARY: Why, then, put a ceiling in here at all?

Mr. LALONDE: Because there may be other sources from which veterans may borrow, depending on the other legislation. At this stage, though, I am afraid that we are not in a position to help the committee in this respect, because you realize that we have no knowledge of what will go in the other legislation, but we know that this is what cabinet has approved with respect to the Veterans Land Act amendment.

Mr. MONTGOMERY: I take it, then, this bill perhaps will not go forward to the house until after the other legislation?

Mr. LALONDE: I have no idea, sir.

Mr. MONTGOMERY: But I think the explanation satisfies me.

Mr. HERRIDGE: I think—without transgressing the protocol of officialdom—a member of the committee could ask the director if, in his experience, he has knowledge of any circumstances where he could say that the man could properly use, with adequate security, $25,000.

Mr. MACEWAN: I think Mr. Rutherford made a statement at the previous meeting of the committee, on Monday, which outlines more or less his ideas on it. Perhaps we can go by that—if you can recall reading it, Mr. Herridge.

Mr. O'LEARY: The answer to Mr. Herridge's question, then, would be in the affirmative.

Mr. DENIS: Mr. Chairman, I am sure that if a man borrows $20,000 for equipment alone, as Mr. Herridge suggests, he would go bankrupt in six months.

Mr. SPEAKMAN: Mr. Chairman, may I go a little further? Veterans Land Act establishments are a combination of several things: they are, first of all—the veteran, his land and the wise and efficient counselling which he receives from his supervisor. This makes—and has made up until now—a very successful marriage, and the product of this marriage is, I think, very evident in Canadian agriculture today, and will continue to stand out as an example of how a supervised farm credit scheme can be one of the finest assets of a young and vigorous country.

I would suggest, gentlemen, that the ceiling of $25,000 receive the same careful and efficient attention as the original ceiling of $6,000 has received, and the previous amendment of $9,000. The Veterans Land Act has a very fine staff and I think we need have no fear that every veteran will rush in immediately and want $25,000. He will require, and will receive, the amount which has been arrived at by consultation and decision between himself and the officials of the department as against the proposition that he is advancing.

Mr. HERRIDGE: There is no need for me to repeat Mr. Speakman's words. I simply say "amen".

The CHAIRMAN: I think we will have to separate those two gentlemen at the end of the table.

Mr. SPEAKMAN: I needed support and that is why I sat here.

Mr. THOMAS: Mr. Chairman, I notice from the information that has been prepared—I see Brigadier Rutherford has a copy in front of him—looking through it this morning, it seems that approximately 5-point-some per cent of the veterans would require loans greater than $20,000, if my memory serves me correctly.

Mr. RUTHERFORD: Three hundred out of 5,000 sir, who asked for loans higher than that.

Mr. THOMAS: That amounted to about five per cent.

Mr. RUTHERFORD: About five per cent.

Mr. MACDONALD (*Kings*): Would there not be likely to be more applications than that, with the legislation that is on the statute books?

Mr. RUTHERFORD: One would have to do a little crystal ball gazing to know that, but I think there would. I think this is a very conservative estimate here, because it was done without full anticipation of loans of any size being available.

The CHAIRMAN: We have the suggestion from Mr. Speakman. Is there any further discussion on that point, under section 64(1)?

Mr. CARTER: Yes, I want to know why the full-time fisherman is not recognized; he is put on a par with a part-time farmer. I would like Colonel Lalonde to explain why that is not so.

Mr. RUTHERFORD: Mr. Chairman, fortunately, Mr. Scott, the V.L.A. district superintendent from Atlantic district, is here. I brought him with me in anticipation of your question, sir, and he would be very glad to help us on that particular subject. Mr. Scott.

Mr. C. H. SCOTT (*V.L.A. District Superintendent, Atlantic District, Veterans Affairs*): Mr. Chairman and gentlemen, I could have said I was very happy to be here today, until you called on me; but actually, I come from the district—from which I see four or five of the members here present—where fishing is one of the big industries.

I think you all will admit that in so far as the Veterans Land Act is concerned, with the revolutionized forms of fishing carried on today, that it will not supply the requirements necessary to outfit their boats and to provide the necessary equipment.

But, after all, the Veterans Land Act is a housing scheme, in so far as veterans are concerned. When the act was set up, what we knew as the inshore and offshore fishermen who could use $1,200 for fishing equipment—it set up many of those men in the inshore fishing business; but with the change in fishing techniques that is not possible, and even if you did bring the commercial fishing aspect into focus with what you are talking about now in so far as full-time farmers are concerned, I feel you would not need it.

In order to substantiate that, I want to quote to you a few of the figures that I assembled prior to coming here to show you what financial assistance is available to fishermen.

In Nova Scotia they have the provincial fishermen's loan board. For boats under 10 tons the borrower—and, of course, that does not only include veterans, but fishermen in civilan walks of life—they are required to pay 50 per cent of the cost, the terms not exceeding five years, and the interest rate is four per cent.

Longliners and draggers, of approved type of construction, initial payment 18 per cent of the cost, terms up to 12 years, interest rate of four percent.

Longliners up to 55 tons registered tonnage cost from $35,000 to $40,000; and draggers average 40 tons—I think you will substantiate that figure, Mr. Carter—cost up to $60,000.

In New Brunswick, fishing boats and draggers—for new ones—in that case assistance can be provided on a down payment of 30 per cent or up to $8,000. A federal subsidy is credited towards the initial payment. This sum of money is paid to and administered by the fishermen's loan board. There are repayment terms, up to 10 years, at an interest rate of four per cent. Insurance that is carried on the vessels over $10,000, with Lloyds of London, half of the premium is paid by the board, and the remainder is a fixed annual charge to the operator.

In New Brunswick, I am informed, there are 82 draggers, an average size of 60 to 65 feet, or 40 to 45 tons. The cost of the hull and equipment is between $40,000 and $60,000.

Provincial financial assistance is available in Prince Edward Island and Newfoundland on similar terms and basis as that of Nova Scotia and New Brunswick.

Federal government subsidies are paid at the rate of $165 a ton, registered tonnage, for fishing boats of approved type. In Nova Scotia the full amount of subsidy is paid to the fishermen's loan board for administration by them on completion of the boat after the trials are carried out and acceptance has been made by the board. One-fifth of this subsidy is credited to principal debt annually. The fishermen must operate the boat for a period of not less than five years to obtain full benefit of the subsidy.

The subsidy regulations are contained in order in council P.C. 1958-1146, and in Newfoundland a provincial subsidy of $90 per registered ton is available to fishermen in addition to the federal subsidy of $165 per ton.

In addition to that, through the loaning facilities of these boards, fishermen can obtain loans to erect. First for the purchase of fishing equipment they can obtain up to 70 per cent of cost on new fishing equipment, and 60 per cent of cost on old equipment.

The repayment terms are on a three-year basis and that is, of course, understandable, because a great deal of fishing equipment would wear out in that time. With regard to primary catching devices, assistance may be provided for that, at a rate of 60 per cent of cost, with terms up to three years; and the same applies to major repairs or overhaul.

Insurance covers boats up to the value of $10,000, and the rate is 1 per cent, appraised value. Sixty per cent of value is repaid in the event of total loss.

As you know, fishing equipment may also be insured, but there is a very heavy loss in certain items of equipment, like lobster traps, which are very highly perishable.

In addition to that, the borrowers can get a rebate of 50 per cent of the cost of salt used; and federal assistance is also available for bait freezers, which can be supplied in areas where there are no special freezers set up.

Of course, the fishermen are entitled to draw unemployment insurance, and I have the rates here; but do not think it is necessary for me to quote them.

In Prince Edward Island there are three draggers operated under the plan; and the same in New Brunswick. In Nova Scotia there are five draggers and three longliners, and application has been made to the loan board for a fourth. In Newfoundland we have no established fishermen operating this type of large longliner dragger vessel that I have described.

Now, with regard to getting equipment, the $1,200 that is allowable for the purchase of equipment today could not buy a decent boat and the engine to operate it. So in many cases the director has purchased the boat and the district superintendent, on his behalf, has given a waiver to the loan board for the engine.

As I said at the beginning, the fishing industry has certainly been revolutionized in the last ten years; and, of course, all types of fishermen have to go along with it. Therefore, whereas at one time one man would operate his boat alone, there are partnership agreements, and loans are provided that way.

I hope, gentlemen, that this sparse bit of information that I have given you is of some value, but I think it is pretty definitely known that the bona fide fisherman is able to get assistance from the fisherman's loan board.

I see the member for Antigonish-Guysborough, as well as the one from Kings, Prince Edward Island, with Mr. Carter from Newfoundland, are here, and I think perhaps they will be able to substantiate the information I have given you. Thank you very much.

Mr. CARTER: May I ask, Mr. Chairman, if you have the statistics, how many fishermen in the maritime provinces have taken advantage of this legislation?

Mr. SCOTT: There are 669.

Mr. CARTER: There are 669?

Mr. SCOTT: Yes, of which we have 493 left.

Mr. CARTER: And 493 are still left?

Mr. SCOTT: Yes. Stangely enough, Mr. Carter, we have not equipped as many commercial fishermen in Newfoundland as I expected.

Perhaps you will recall you were one of the first people I met when I went down there, and you were kind enough to help me in many ways. At that time we thought that with the huge coastline and the fact that the Newfoundland fishing industry was one of the largest industries of the province, we would have a lot more. However, actually we have had very few applications for commercial fishing in your province.

Mr. THOMAS: Mr. Chairman, your maximum loan under that act, given to us—what is the maximum loan under that act?

Mr. SCOTT: The Canadian Fisherman's Loan Act, sir?

Mr. THOMAS: Yes.

Mr. SCOTT: No; I am sorry, I have not got it. I told you that the draggers average about 40 tons, and they cost up to $60,000. I think the amount is proposed—you should not quote this because I am not sure—but I think the amount of the loan is 70 per cent.

Mr. MATTHEWS: How many veteran fishermen have taken advantage of tihs in British Columbia? Have you the figures?

Mr. BEECH: While we are trying to get this information, might I ask if there is any definition of economic farm unit?

Mr. LALONDE: It is referred to in a subsequent section, Mr. Beech.

Mr. CARTER: May I make one comment on what Mr. Scott said. There might be some misunderstanding. I am not familiar with the conditions of loans in Nova Scotia and the other maritimes, but in Newfoundland these rather big loans are available only to fishermen if they can make a substantial down payment. The majority of fishermen cannot make that down payment. That is the reason nobody has taken advantage of this legislation, or why very few are taking advantage of the potential assistance or plans for assistance. It is because to take advantage of it you must have assets, or you must have money to put up a considerable down payment in order to take advantage of it in the first place.

Mr. SCOTT: Is it not so, that the fishermen in Newfoundland work on a partnership basis, particularly in your constituency, Mr. Carter, around the southeast coast of the province?

Mr. CARTER: Not to any great extent. Usually one person carries the loan. As you say, you may get a new longliner built for $6,000, but before the loan is paid off, the boat is worn out and the fisherman is no better off.

Mr. O'LEARY: What Mr. Carter says is true. I agree; but the words "down payment" are not entirely correct. I think the word "equity" would be better.

Mr. SCOTT: Yes, equity is a better word.

Mr. CARTER: That is right; equity would be a better word to use.

The CHAIRMAN: Is there any further discussion on this point?

Mr. THOMAS: It would be correct to say that loans under the Canadian Fisherman's Loan Act have been made in the amount of $42,000?

Mr. SCOTT: Yes, I have been told that is correct, but not under this act. That was under the Canadian Fisherman's Loan Act.

Mr. CARTER: In the figures you mentioned, were those 660 fishermen for all Canada or just for the maritimes?

Mr. SCOTT: No, for the Atlantic region.

Mr. CARTER: Do you know the total amount of the loans for those 660 fishermen?

Mr. RUTHERFORD: There were 241 settled in British Columbia, and 192 are still on our books. I am speaking of the commerical fishermen in British Columbia.

Mr. SCOTT: The amount would be approximately between $360,000 and $375,000. But mind you, we have many top flight fishermen established, some in Prince Edward Island particularly at Rustico; and one of our fishermen, you may recall, took the Governor General out for two weeks when he was down there. He had one of the better types of boats.

On section 64 (1)—Assistance loans to full time farmers.

Agreed.

On section 64 (2)—Purposes for which loan may be made.

Agreed.

On section 64 (3)—Loans only for establishment of economic farm unit.

Mr. HERRIDGE: In this connection, because I have a general interest in the use of the term "family farm", I move that this committee recommend that line five of section (3) be amended so as to include after the word "economic", the word "family", so that the line would read: "economic family farm unit".

That should not upset the balance of payment very much.

The CHAIRMAN: Do you have a seconder?

Mr. SPEAKMAN: I will second the motion. The coalition is still working.

Mr. THOMAS: What about the bachelors?

Mr. RUTHERFORD: They would qualify, sir.

Mr. LALONDE: I am not speaking as to the merit of the suggestion now, but I would like to point out that it was intended, through the new section 75 of the act which is on page 11 of the bill, that the director himself would make recommendations to the governor in council so as to define economic farm unit. I am sure that the director had the word "family" in mind at that time, but to take care of the point raised by Mr. Thomas, it was not felt necessary to put it in the act. That is why the governor in council was to be given authority to make regulations to define that particular term.

Mr. HERRIDGE: Your argument is very logical, but sometimes logical arguments are not practical, as far as affecting public opinion is concerned.

Mr. LALONDE: I am not arguing.

Mr. HERRIDGE: Pardon me; well, making timid suggestions. I know a good many people are interested in farming in Canada, and they are trying to build up the national section of the family farm. I think that the definition offered by the director was an excellent one. I thought we should do all we could in that respect so as to indicate in the legislation what our objective is. We are not trying to build up industrial farm units, but to re-establish rural Canada by building up family farms.

The CHAIRMAN: I presume the law officers of the crown have considered this wording very carefully. If I might be allowed to make an observation, it is surprising the number of bachelors who are operating farms out in western Canada. I hope that this additional word will not have the wrong connotation in that respect.

Mr. LALONDE: You will remember the definition given by Mr. Rutherford the other day for "economic family farm unit"; it was a farm being operated entirely by a veteran and his family. In the case of a bachelor, he would have to find some way to increase his family, but it should be good and legitimate.

Mr. HERRIDGE: By a farmer or by his family?

Mr. RUTHERFORD: It was definitely meant to mean bachelors as well.

The CHAIRMAN: The word "family" has a particular meaning.

Mr. SCOTT: It is a very important word.

Mr. MACDONALD (*Kings*): I would point out in a few cases widows have carried on, and I do not see that an amendment is necessary. We all realize that is so.

The CHAIRMAN: There goes the division bell. We shall have to answer the summons of the bell.

Mr. THOMAS: When shall we reconvene?

The CHAIRMAN: We shall continue following the vote in the house. We shall resume following the vote.

(The committee adjourned in response to the division bell).

The CHAIRMAN: Gentlemen, we have a quorum again, so I think we should proceed. We were dealing with the proposed amendment which was moved by Mr. Herridge and seconded by Mr. Speakman with respect to changing the wording of line 5 in section 64(3) to "economic family farm unit". There was some suggestion this might discriminate against bachelors and widows. It seems to me that the word "family" does mean a special situation. I am wondering if Mr. Herridge is going to proceed with the amendment and whether he wishes that implication or does he really mean "family type farm".

Mr. HERRIDGE: That is what it means. We are speaking of it in the applied sense in the public mind—a unit operated by one person or a family, one person and a family.

Mr. SPEAKMAN: If we go back a little and read the section, it says:

> No advance shall be made under this section by the director unless the financial assistance requested by the veteran is, in the opinion of the director, necessary for the development and proper operation by that veteran of an economic farm unit.

I emphasize those words. In this case we are saying "of that veteran and his family". The word "family" in this case does not mean that every bachelor has to rush out and get married; it means veterans and any persons living with them.

Mr. THOMAS: Again the suggestion has my sympathy, but are they not bringing a new principle into the veterans act. I know there is a good deal of talk about the policy of supporting family type units. Well, we are not laying down general policy; we are laying down policy only so far as veterans are concerned and I think we would be wise to leave out the word "family". In this case we are dealing with veterans. I think the wording here is very clear so far as veterans are concerned and rather than put in a word which might lead us into misinterpretation or some trouble, I would be inclined to leave it alone.

The CHAIRMAN: Is there any further discussion, gentlemen?

Mr. BEECH: I would like to point out that the committee has only the power to move to recommend; we cannot move to amend the act.

The CHAIRMAN: We have Mr. Ollivier here and perhaps he could explain this.

Mr. P. M. OLLIVIER (*Parliamentary Counsel*): You can move to recommend only in the case where you increase the expenditure; otherwise you can move any amendment you want. If you want to make an amendment that would involve an expenditure, then there is a procedure provided for that. We have done it many times. You can move amendments if they do not increase the expenditure.

The CHAIRMAN: Thank you, Mr. Ollivier. Is there any further discussion?

Mr. MONTGOMERY: I rather feel, Mr. Chairman, that we would be safe in leaving it to be defined in the regulations.

Mr. FORGIE: I do not think there is any necessity for doing it; I think it is all right the way it is.

The CHAIRMAN: Are you ready for the motion, gentlemen. All in favour? Contrary? I declare the motion defeated.

Section 64 agreed to.

The CHAIRMAN: The next is section 65.

On section 65—assistance loans to part-time farmers and commercial fishermen.

Mr. THOMAS: This takes us back to where help might be made available for fishermen. I would like to hear from the members from the maritimes in connection with this. I would like to know how they feel. It is the same thing for part-time farmers and fishermen. I would like to know if they are satisfied with the present arrangements or whether they think something should be done in connection with these loans to part-time farmers by way of an increase.

Mr. CARTER: Well, the increase for the commercial fishermen is in the same proportion as the increase to the farmers. In the one case it went from $9,000 to $20,000, which was double and a little more; in the other it went from $1,400 to $3,000, which is double and a little more. It is in proportion. Now, if you raise it up to $25,000, I think the same recommendation should be made with respect to fishermen. I do not know what assistance this is going to be at the present time to veterans in my province. It is possible they may be able to use it, but it depends on the type of fishing they are doing. If they are going to engage in a shore fishery, this amount will be of some use; if they are going into the longliner, this $4,000 will not be of any benefit to them because it will not be enough. What happens—and I do not see how you can get around it because there are so many types of fishing—is that this assistance will assist fishermen who engage in one type of fishing but will not assist those who engage in another type of fishing.

Mr. MACDONALD (*Kings*): Mr. Chairman, I agree with what Mr. Carter has said in this regard. This will be of considerable help to what we call the small boat fishermen. I do not think the act was ever intended to cover those in the much larger operations of dragging and so on. There is other provincial legislation to cover enterprises of that nature. I think this would be quite welcome and adequate at the present time.

Mr. O'LEARY: In speaking for my constituency in Nova Scotia, Mr. Chairman, I do not know of any incidences of veteran fishermen who are in difficulties—at least to my knowledge—that would require any change.

Section 65 agreed to.

Sections 66 to 68 inclusive agreed to.

Mr. CARTER: Mr. Chairman, could I revert and ask one question on 65? Could this be used for equipment—to get nets and twine—as well as boats?

Mr. W. STROJICH (*Superintendent, Property Division, Soldiers Settlement and Veterans' Land Act*): No: this grant for the assistance of fishermen is limited to part I of the Veterans' Land Act. In that part you get a grant up to $1,200. The amendment merely provides that another $3,000 will be available for the construction of a home, the buying of land and the shore installations; but not for actual fishing equipment.

Mr. CARTER: You cannot get anything under 65 for fishing equipment?

Mr. STROJICH: No.

The CHAIRMAN: We had come as far as section 68. I think our terminology here should be "section 68, under clause 20".

Mr. THOMAS: Mr. Chairman, in connection with section 68, I believe that under the original act a veteran could pay off his loan at any time without notice of bonus.

Mr. RUTHERFORD: That is correct.

Mr. THOMAS: Is that provision still going to be carried forward in the new act?

Mr. RUTHERFORD: Yes—no change.

Mr. THOMAS: And that will apply also to these special loans which may be made—part III loans?

Mr. STROJICH: All the loans under the Veterans' Land Act are repayable without interest of bonus at any time.

Mr. THOMAS: Without notice of bonus.

Mr. STROJICH: Without notice of bonus; I am sorry.

The CHAIRMAN: Is 68 carried?

Sections 68 and 69 agreed to. On section 70—Director to take security.

Mr. HERRIDGE: Mr. Chairman, I would like to ask the director a question. Why do you confine the security in livestock to the basic herd?

Mr. RUTHERFORD: Mr. Herridge, we do not want to put long-term loans in livestock; that is, livestock bought for feeding, feeder cattle or feeder sheep bought in the fall and sold in the spring, or pasture cattle bought in the spring and sold in the fall. This is something we feel should be financed by ordinary methods through the banks and is certainly not appropriate for a 30-year loan.

We are confining it to basic herd livestock, and you might be interested in knowing how we define "basic herd". This will probably be a definition going into the regulations, and you should know what ideas we have as to how it should be defined.

We feel it should be defined as "female cattle, sheep and swine, with the appropriate percentage of registered male stock". In addition, in the case of sheep, one year's progeny—that is, the sheep and their lambs—and, in the case of cattle, two years' progeny, as it takes two years for cattle to develop to market age. So you set up a breeding herd with cattle you can sell next year, and with calves coming along to take their place.

This is quite a broad definition of a basic herd; it is not the official definition used by the income tax people, but it is the one intended to be used in the regulations.

Mr. HERRIDGE: Thank you; that is interesting.

The CHAIRMAN: Is section 70 carried? Sections 70 to 74 (2) inclusive, agreed to.

On section 75—Regulations.

Mr. HERRIDGE: Under this section, Mr. Chairman, we have the assurance of the director and senior officials that the family farm is going to be described in the regulations?

Mr. LALONDE: That is right, sir.

Mr. RUTHERFORD: The economic family farm.

Mr. HERRIDGE: Yes, the economic family farm. I shall be interested to see how you get around bachelors and widows.

The CHAIRMAN: Is section 75 carried?

Section 75 agreed to.

On section 76—Prohibition.

Mr. THOMAS: Mr. Chairman, I am just reading through section 76. I feel that it is one that we should take a little more time on and not be too hasty about:

> Notwithstanding anything in this Part, no loan shall be made under this Part to a veteran who is in default under a Part I contract or who is indebted in respect of any loan made pursuant to the *Veterans' Business and Professional Loans Act.*

Mr. THOMAS: From my experience in farming, I can well understand how the veteran might well have, over the years, got into difficulties and may have been hanging on by a slim margin for some years, may be able to carry on but still carrying a certain load of past indebtedness.

I think section 70 is too drastic. I do not think anything should be put in the way of a new deal being offered to a veteran when, after consultation with the V.L.A. officials, it is felt that he might be given an opportunity to expand his operations, or reorganize his operations, in such a way as to help him.

Section 76 looks to me to be altogether too restrictive and too harsh, and I would not be in favour of it, in the form in which it is.

Mr. HERRIDGE: Are you not now using the contrary argument to the one you used to Mr. Speakman's amendment?

Mr. THOMAS: Not at all, sir. Mr. Speakman's proposal had to do with a veteran who, to all intents and purposes, has been rehabilitated, who has paid off his entire indebtedness, has taken the title of his land, his debts are paid, he is clear, he is supposed to be free of debt and able to go forward on his own.

Mr. Speakman's proposal, as I understand it, was that that veteran, because he did not know that the loan limits were to be increased, should now be given an opportunity to come back under the V.L.A. umbrella, so to speak, borrow more money, and in so doing almost become rehabilitated for a second time—not that he is going to receive any grants. But, to my mind, he can go out and borrow money from the farm loan board under just as advantageous conditions as he can borrow under the Veterans' Land Act. That is why I opposed Mr. Speakman's suggested amendment.

I think we are possibly violating the principle of rehabilitation of veterans, in that once a veteran is rehabilitated we allow him to come back for more. I do not feel too strongly on that, but I do feel strongly on this section 76. Just because a veteran is in difficulties—and has been in difficulties, maybe, for years, either through his own fault or through force of circumstances—if his affairs can be reorganized and more money put into his business so as to give him a chance of success, I do not think we should allow anything to go through which would stand in the way of that chance.

Mr. CARTER: Mr. Chairman, I agree with Mr. Thomas. Supposing a veteran owes $1,000; why could he not take advantage of this section and get a loan which would repay his indebtedness under part I and start pim off with a certain amount of assistance, to improve his circumstances?

I do not think we should debar a person, if we can give him some assistance in the way of a loan, less his indebtedness.

Mr. FORGIE: I think this section should be amended to read: "Notwithstanding anything in this part, without the consent of the director no loan shall be made". Should it not be at the discretion of the director, what treatment should be accorded a veteran? I think that would simplify it.

Mr. SPEAKMAN: Are we not, by this very argument, making two classes of veterans—the man who has worked hard and, by his thrift and industry has made a success and now wants to expand, and, because of the "expanding" aspect, by your argument you deny him that expansion. But another man, who may be a marginal case, who may have, with every chance, failed eventually, whether he was given $100,000 or not. You say, shovel it in there and bive him all he wants.

Mr. FORGIE: I think Mr. Speakman forgot the question which was asked.

Mr. SPEAKMAN: I am not relating it to you.

Mr. FORGIE: I asked the director if, when a veteran paid off his loan and was asking for a release on the loan, which had been paid in full, and was made payable in the name of the director, if he could not come back and make application for a loan such as you are suggesting.

Mr. SPEAKMAN: Is that any different to a veteran who, having accepted ownership, accepts the title? He may have to get title to put down as security for the loan, for the additional loan for which funds are not available with the V.L.A. at that time.

Mr. FORGIE: I am being sympathetic to Mr. Speakman's suggestion, but I am saying there is a practical way out of it, without having to amend the act in any way. As far as your suggestion is concerned, it is simply a matter of giving the director sole discretion to determine what treatment should be accorded a veteran in that position.

Mr. CARTER: I think these are two separate things, and we should deal with them one at a time. I think we should finish section 76 and come back to Mr. Speakman's suggestion. I have a few words to say on Mr. Speakman's suggestion.

The CHAIRMAN: On section 76, is there any further discussion?

Mr. MONTGOMERY: There is not any change in that from the old section?

Mr. RUTHERFORD: It has not been amended at all; it is the same as the old section.

Mr. BEECH: I would think a veteran in this position would be given every consideration before you declare him in default. Surely, you will not declare him in default until every angle has been explored?

Mr. THOMAS: Mr. Chairman, the way this section is worded, it appears to me there is no discretion left to the director under this part with regard to a veteran who is in default under part I. That is, if his 1957 or 1958 payment is not complete, then the director, under this act, could not make him a loan under part III. The director is prohibited from dealing with it in that regard.

Mr. BEECH: Mr. Chairman, under what condition is a veteran declared in default? What has been the experience in that regard?

Mr. RUTHERFORD: If he owes any money at all he could not get a loan.

Mr. BEECH: But, previous to that, he is given every opportunity, and every angle would have been explored to help him out?

Mr. RUTHERFORD: Yes, and we have had very few in that position at any time.

Mr. FORGIE: On that, is there any such prohibition under part I?

Mr. RUTHERFORD: Yes, this clause has been in the act, as far as I know, from the very beginning.

Mr. LALONDE: It was in from the very beginning, because it was put in at the same time as a similar clause was put in the Veterans Business and Professional Loans Act, 1946. I could not tell you why it was put in the act in those days, but it has been there ever since.

Mr. THOMAS: If my memory serves me correctly, this clause was in the original act, and cut out veterans from World War I who were in default. I think, if we review it, we will find that about 50 per cent of them were in default. This first war settlement scheme was not too satisfactory. This clause was put in and prohibited those veterans from World War I having a new chance. I did not think it was right then, and I do not think it is right now. I think a veteran, just because he is in default, should not be debarred from having another chance.

Mr. RUTHERFORD: We have, on occasion, gone to the governor in council for authority—I should say, to the minister. We have the authority to go to the minister to get permission to make a loan to a soldier-settler who is in default.

Mr. SPEAKMAN: May I say at this point, I have personally taken part in one of these cases, and I know this has been done.

The CHAIRMAN: Successfully?

Mr. SPEAKMAN: Yes, it has been accomplished.

Mr. STEARNS: It will be more expeditious to have the director do it.

Mr. RUTHERFORD: I said it was in the original act, but it was put in when part III was originally passed.

Mr. LALONDE: There was a similar prohibition affecting only part I, and in 1953-54, when part III came into effect, it was put in as the last clause of the new bill.

Mr. CARTER: Under what provision do you go back to the minister, and where does the minister derive his authority?

Mr. LALONDE: Part I.

Mr. RUTHERFORD: Section 25 of the act.

Mr. CARTER: Part I does not affect part III?

Mr. STROJICH: Except in so far as veterans who are ineligible apply for assistance under part I; and he has to apply under part I before he can get part III.

Mr. THOMAS: I would like to move an amendment there. After the word "veteran" I would move to insert these words, "except with the consent of the director". It would then read like this:

> Notwithstanding anything in this Part, no loan shall be made under this Part to a veteran "except with the consent of the director" who is in default under Part I.

Mr. CARTER: Would it not be better to put the words after "Part I"?

Mr. RUTHERFORD: I might say that as all loans are made in the name of the director, this should be either the minister of governor in council, I think.

Mr. LALONDE: Under part I it is with the authority of the governor in council. I suggest that under part III it should be under that authority.

Mr. STROJICH: There are two types of prohibition: one under section 25 for soldier-settlers, where the authority of the minister is obtained to establish a veteran under the act; and there is the prohibition under subsection (6) of section 10, which provides that the director cannot enter into a contract if a veteran is in default on a previous contract under this act.

The type of case that might arise is that of a veteran who has had $5,000 approved under part I, with an additional $1,000; and the director cannot approve that additional $1,000 under part I unless his existing contract is not in default, and the taxes and payments are up to date, the insurance is paid, and so on.

Mr. THOMAS: Could the director or the deputy minister give us an assurance at this point that no veteran is necessarily debarred because of overdue indebtedness?

Mr. LALONDE: We cannot give you that assurance under part III because of the way the act reads now. The act is a straight prohibition.

Mr. THOMAS: Could we then recommend that section 76 of the act be amended in such a way that veterans will not be debarred from part III loans because of past indebtedness? Could we not leave it open like that, and let the law officers work on it?

The CHAIRMAN: That is the only way this committee could take any action at all, because a straight motion would involve a possible increase in expenditure. Are you putting that forward, Mr. Thomas?

Mr. THOMAS: I will put that forward.

Mr. SPEAKMAN: This is partially catered to in the present amendment.

Section 64(2)(f):

The payment of debts that, in the opinion of the director, were reasonably incurred by the veteran for any of the purposes specified in paragraphs (a) to (e).

Mr. MONTGOMERY: That is the purpose specified previously.

Mr. LALONDE: Section 76 as it now reads says:

Notwithstanding anything in this part.

The CHAIRMAN: Mr. Thomas has put forward this motion. Has it a seconder?

Mr. BEECH: May we hear the motion?

Mr. THOMAS: I move that we recommend that section 76 be amended in such a way that a veteran will not be debarred from the benefits under part III because of existing indebtedness to the director.

Mr. CARTER: I do not think Mr. Thomas wants to make it wide open, but he wants to leave it open to veterans who could be rehabilitated or could be assisted out of their trouble by some assistance which now they cannot get because of this section 76. I do not think he wants to make it wide open for everybody.

Mr. THOMAS: No, we want to leave the director and his officials an opportunity to deal with any veteran.

Mr. CARTER: Any veteran who, in the opinion of the director, could be assisted to his advantage.

The CHAIRMAN: What is our wording?

Mr. RUTHERFORD: I think it should be with the consent of the minister because it is the director who actually makes the loan. They are made in his name.

Mr. FORGIE: The administration of the act is under the control of the director. Surely the director should have the discretionary power to decide for himself whether or not the veteran is entitled to help and assistance when he is in arrears.

Mr. RUTHERFORD: If you want that to be the effect, you had better take the section out altogether, if you want to go that far.

Mr. O'LEARY: I suggest that the section be dropped.

Mr. LALONDE: There are cases where the section serves a good purpose, where the veteran is in default. If the director knows that the veteran will never make a success of the farm he does not want to put more money down the drain in that respect. That is when the director does not feel he should get a loan under part III. So this general prohibition gives him grounds on which to rule on that basis. But if the governor in council has dicretion, then the director can take care of certain types of cases where he thinks there is a chance for success.

Mr. O'LEARY: Does the diretcor not have that discretionary power himself?

Mr. LALONDE: If the veteran is entitled to a loan by virtue of the act, it is very difficult for the director to say no to him on an arbitrary basis.

Mr. MONTGOMERY: I wonder if this would not meet Mr. Thomas? I suggest that after the word "veteran" in the second line, we should add the words "except with the approval of the governor in council, who is in default".

Mr. O'LEARY: That exists now.

Mr. LALONDE: No, it does not.

Mr. CARTER: Would not those words fit in better after the word "part" in the first line— "notwithstanding anything in this part except with the approval of the governor in council, no one would be ...".

Mr. THOMAS: The governor in council has the right to make regulations. I do not see why section 76 could not be taken out and the necessary regulations included.

Mr. LALONDE: Would you be satisfied to have it on the same basis as section 25 which says "with the approval of the minister", then the two sections would work the same way?

Mr. THOMAS: I still think that is rather drastic unless the director wants it that way.

Mr. RUTHERFORD: I would rather have it that way.

The CHAIRMAN: Agreed. Where do you stand? Is that a motion?

Mr. THOMAS: Section 25 is not shown here.

Mr. LALONDE: No, it deals with part I so it is not related to your suggestion.

Mr. THOMAS: I think my motion that the act be amended meant that the veteran will not necessarily be debarred from the benefits under part III because of past indebtedness. That could be reworded in some way so as to safeguard everybody. I think it incorporates the idea that we do not want them automatically barred because of past indebtedness.

Mr. RUTHERFORD: If you are under the impression that it is past indebtedness, this is not so. It is present indebtedness which debars them.

Mr. THOMAS: I mean overdue indebtedness.

The CHAIRMAN: May we put this in our report in the form of a recommendation subject to the approval of the governor in council?

Mr. THOMAS: That was my idea.

Mr. LALONDE: Just recommend it and we will take care of it, if it is approved by the cabinet.

Mr. BEECH: I would feel happier if I were assured that the veteran would not be declared to be in default until every avenue had been explored to keep him in good standing.

Mr. RUTHERFORD: You can be assured of that.

Mr. BEECH: That would cover it, because you cannot expect people to get a loan if there is no hope of its being repaid.

Mr. LALONDE: Would this suggestion of Mr. Thomas' apply to indebtedness in respect to the Veteran's Business and Professional Loans Act as well, or only when he is established under the V.L.A.?

Mr. THOMAS: Perhaps it could apply to any overdue indebtedness to the crown.

Mr. LALONDE: Then we run into the same problem we ran into before, of the business and professional loans being available on an alternative basis to those not taking V.L.A. I was not sure whether you were concerned with those who were under the V.L.A. and who may have some indebtedness, rather than with those who took another benefit and now wanted to come under the V.L.A.

Those veterans who decided to take a business or professional loan and did not repay it, may want to come under the V.L.A. now. But this section says that if you want to get established under the V.L.A. you must repay your business and professional loan. This, I took it, was not the type of case you had in mind.

Mr. THOMAS: That is right.

Mr. LALONDE: Then your suggestion applies to any veteran who is in default on any contract entered into under part I of the V.L.A.?

Mr. THOMAS: That is right.

Mr. LALONDE: Would you incorporate that in your recommendation so it will be clear when we go before cabinet?

The CHAIRMAN: Here is what we have at the present time. We are getting some professional advice, and here is a suggested recommendation: notwithstanding anything in this part, no loan shall be made under this part except with the approval of the minister to a veteran who is in default under a part I contract, and so on.

Mr. P. M. OLLIVIER (*Law clerk, House of Commons*): That creates an exception where the minister can rule at one time or another that the veteran is entitled although in default.

Mr. LALONDE: Except that in the way it is drafted, it includes indebtedness under the Veterans Business and Professional Loans Act.

Mr. OLLIVIER: You have a discretion to eliminate that. Since he has a discretion to grant it, then he has a discretion to refuse it.

Mr. MONTGOMERY: It is only given with the consent of the minister.

Mr. LALONDE: I suggest we can take care of that by noting that it was the intention that the recommendation should apply only to part I contracts. Then when we submit it again to the Department of Justice for redrafting, they can make a sub-section for veterans business and professional loans.

The CHAIRMAN: Does that fulfil your purpose?

Mr. THOMAS: Yes.

The CHAIRMAN: Does Mr. Forgie second this?

Mr. FORGIE: Yes.

The CHAIRMAN: Are we agreed?

Mr. FORGIE: Yes.

The CHAIRMAN: Mr. Ollivier, the law clerk, is with us and he is prepared to give us a ruling on our problem under section 63. If you wish to hear him now, it would expedite matters.

Mr. OLLIVIER: The point is that these two amendments, since they involve the expenditure of money, cannot be made in the committee. All you can do is to recommend that these amendments, or similar amendments, be made to the bill.

After that is done, once the report has been adopted in the house then the minister has to put a resolution on the order paper and to that resolution he has to obtain the recommendation of the crown again. When the resolution is before the house the resolution will be passed by the house and the minister will move that it be referred to the committee of the whole on that bill. So when your bill is considered in committee of the whole, these amendments of which Mr. Lalonde speaks can be incorporated in the house at that time in committee of the whole. So even if we have not a recommendation that covers the point exactly the minister will still feel free to have the amendments prepared and put in proper form. I think the resolution should recite the amendments and should read as follows: that it is expedient to amend the bill now before the house in the following manner and then include these further amendments. When that is passed it goes back to the committee of the whole.

Mr. SPEAKMAN: So far as any amendment which I have proposed, I am content to have a full and considered opinion on it at that time.

The CHAIRMAN: We will let this opinion by Mr. Ollivier stand until Monday. Perhaps we could carry the title.

Title agreed to.

The CHAIRMAN: We will leave it at that so we can hear from the real estate people on Monday at 3.30 p.m.

APPENDIX "A"

A further Submission by the National Council of Veteran Associations in Canada regarding "Imperial Pensioners' Widows"

At its two most recent conventions (1955 and 1957) The War Amputations of Canada approved unanimously a resolution on the above subject which, in due course, was included in the Association submission to the Standing Committee on Veterans Affairs of March 9th, 1959. Subsequently the National Council of Veteran Associations in Canada also approved the resolution, and made it the basis for a recommendation to the Standing Committee on May 11th, 1959. The following is a further clarification of the reasons which prompted the original resolution. In substance, the resolution asks that widows of Imperial veterans who have a 50% or over war disability, and who have lived in Canada for twenty years or more, be granted a pension by the Canadian Government similar to that granted to widows of high-disability Canadian veterans under parallel circumstances. The request applies, therefore, to widows of Imperial veterans of World War I to whom Canada has long been their adopted country. The average Canadian residence in the case of our own ex-Imperial members is actually thirty-three years. This figure is taken from a survey conducted in support of the resolution, details of which are appended hereto.

Basis of Need

It is doubtful if any Canadian veteran association keeps in closer touch with the widows of its members than The War Amputations of Canada. The resolution results from a first-hand and increasingly compelling knowledge of the severe financial handicap faced by most widows of highly disabled 1st War Imperial veterans.

The disabled Imperial veteran's widow, whatever his assessment, gets no pension unless her husband's death is directly attributed to his war disability. Likelihood that the veteran in question can save enough money to make any marked contribution to his widow's future is remote. Canadian veteran legislation recognizes that even the better compensated high-disability Canadian cannot provide any but a minor degree of independence for his widow. Yet his disability compensation has for years been from three to four times as great as that of the ex-Imperial—depending on the rank of the latter.

Basis for Consideration

It is the belief of our Association that this request on behalf of the widows of 1st War high-disability Imperials should be considered from an entirely new and independent standpoint for the following reasons:

1. The matter concerned is the welfare of a female Canadian citizen who is widowed and in financial need in her declining years. She fought in no army—is unlikely to have ever worn a uniform. Most probably she did not even know her husband until after his war service.

2. As the appended survey shows, she was born in Canada in some cases—in the great majority she was married in Canada. Even if born overseas, she has certainly earned all the privileges of citizenship, since she was married, on average, twenty-seven years ago.

3. She has endured the same difficulties and made greater financial sacrifices than her sister who married a war-disabled Canadian. She has made just as much contribution to the national welfare. In most cases she has borne children to grow up into Canadian citizens.

4. The marriage contract which set the course of her existence had no connection with war service or military ties or loyalties. In marrying and raising a family she performed one of the highest national duties. That she should marry a high-disability veteran, even though he fought in a different army, was a service to Canada. That she should suffer hardship because he could not possibly have served the common cause in the Canadian Forces seems hardly to be in keeping with Canadian ideas of fairness and justice.

5. The suggestion that an Imperial matter may rightly be judged solely from the standpoint of economic need and equity does not involve a new principle in Canadian veteran legislation. It is already recognized in the inclusion of Imperials under the provisions of the War Veterans' Allowance Act.

In submitting the foregoing, The War Amputations of Canada is confident that it will be given the most earnest and sympathetic consideration by the Standing Committee on Veterans Affairs.

Toronto, Ontario, May 22nd, 1959.

Appended—Findings of Survey

Findings of Survey made among Ex-Imperial Members of The War Amputations of Canada—August 1957

World War I

Living ex-Imperial 1st War Members on Imperial rates	28	
Average residence in Canada	33	years
Married—wives living	26	
Widowers	2	
Married in Canada	19	
Married in British Isles	7	
Wives born in Canada	7	
Wives born in British Isles	19	
Average length of married life	25	years

World War II

Ex-Imperial 2nd War Members on Imperial rates	19	
All are married		
Average residence in Canada	8	years

HOUSE OF COMMONS

Second Session—Twenty-fourth Parliament

1959

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: WALTER DINSDALE, Esq.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 16

Bill C-50, An Act to amend the Veterans' Land Act
Including Fifth and Sixth Reports to the House

MONDAY, JUNE 1, 1959
TUESDAY, JUNE 2, 1959
WEDNESDAY, JUNE 24, 1959

RECEIVED
JUL 7 1959
Library of Parliament

WITNESSES:

Messrs. Lucien Lalonde, Deputy Minister, Department of Veterans Affairs; T. J. Rutherford, Director, Soldiers Settlement and Veterans' Land Act; H. R. Holmes, Superintendent of Securities Division; G. O'Brien, District Superintendent, Alberta District; D. H. Koyl, President, Canadian Association of Real Estate Boards; and K. Binks, Counsel.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

21344-7—1

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: Walter Dinsdale, Esq.,

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

and Messrs.

Badanai	Herridge	Peters
Batten	Jung	Pugh
Beech	Kennedy	Roberge
Benidickson	Lennard	Robinson
Broome	Macdonald (*Kings*)	Rogers
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler
Garland	Parizeau	

Antoine Chassé,
Clerk of the Committee.

REPORTS TO THE HOUSE

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

FIFTH REPORT

Pursuant to its Order of Reference of Wednesday, May 20, 1959, your Committee has considered Bill C-50, An Act to amend the Veterans Land Act, and has agreed to report it without amendment.

During the course of its deliberations your Committee approved the submission of the following recommendations to the House.

1. As the effect of the application of Part III of the Act appears to discriminate between veterans who have taken title and those who have not, consideration should be given to the introduction of an amendment which would allow a veteran, who has taken title to land, livestock and equipment, to obtain additional assistance under this legislation provided that he enters into a new contract with the Director.

While your Committee recognizes that such a change would possibly involve the introduction of a new principle into veterans' legislation, it is felt that the Government should examine carefully the desirability of such an amendment.

2. Your Committee recommends that the maximum level of loans set forth in Clause 20 of Bill C-50 be constantly reviewed in order to ensure the efficient operation of the Veterans Land Act and especially to maintain, on a comparable basis, the veterans' position in relation to agricultural and other groups receiving federal benefits in the form of assistance loans.

3. Your Committee recommends that, in order to remove an area of discrimination, Bill C-50 should be amended by including a Clause to effect the repeal of Section 36 of the Veterans Land Act, and to assure that the powers necessary to protect the veterans' interests remain in Section 41 of the Act.

4. Your Committee recommends that Section 76 of the Act appearing in Clause 20 of Bill C-50 be amended by inserting immediately following the word "Part" appearing in line 2 of the Section the words "except with the approval of the Minister".

A copy of the Minutes of Proceedings and Evidence is appended.

Respectfully submitted,

WALTER DINSDALE,
Chairman.

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

SIXTH REPORT

1. Under its Orders of Reference received from the House of Commons, your Committee has completed its work for the current session. The Committee has thoroughly reviewed the estimates of the Department of Veterans Affairs and has considered three items of legislation. These have all been reported to the House.

21344-7—1½

2. During the Committee's deliberations, requests were received from several veterans' groups interested in presenting briefs. The Committee heard these representations under the first item of the estimates.

3. The comprehensive review of veterans' legislation has again confirmed that Canada has, generally speaking, an adequate Veterans' Charter. The state of veterans' affairs is good. It is not perfect of course, for there always remains the necessity to adjust to ever-continuing changes in the social and personal problems of the veterans. It was to this end that amendments have been made to three major acts of the Veterans' Charter during the current session.

4. Veterans' programs today are designed to help veterans to become self-sufficient and productive members of the community. The emphasis, following World War II, was on assisting the veteran to pick up the threads of civilian life. The comprehensive rehabilitation programs have been eminently successful in this regard, and will continue to be successful as amendments are made to meet the changing needs.

5. A word should be said about the responsible attitude manifested by the spokesmen for our veterans' groups. Canada's veterans do have a highly developed sense of fair play. This standard of behaviour is to be expected from the group in our population who served so sacrificially in days of war. It is to be expected too that they would serve with equal devotion in times of peace. Membership in the House of Commons is typical of this kind of service for many of the members have distinguished service records.

6. After all, the performance of duties of citizenship cannot be painless or entirely free from sacrifices, either in peace or in war. These obligations of citizenship must be assumed to an ever-increasing extent if our free way of life is to survive and prosper in the face of totalitarian encroachments today.

REVIEW OF LEGISLATION

Pensions

7. Many of the recommendations placed before the Committee related to the Pension Act. This is to be expected. Compensation for disabilities incurred in the service of one's country is the core of any veterans' program. During the course of the deliberations the Minister intimated that the Pension Act would not be up for amendment at the current session of Parliament. In line with the declared policy of the government to review veterans' legislation periodically and progressively, this year the Veterans' Land Act underwent major amendments. Next year it is expected the Pension Act will come under similar review.

8. Several veterans' organizations, including The Sir Arthur Pearson War Blinded, the Canadian Corps, The War Amputations, The Canadian Legion, and The War Veterans Association, recommended across the board increases in the pension rate. This is a matter, of course, which will have to be considered in the light of any changes that have occurred since the rates were last amended. A similar recommendation for general increases in the War Veterans Allowances rate will be subject to the same qualification.

9. Other than these recommendations with respect to the Pension Act and the War Veterans Allowance Act, most of the points brought forward in the representations have been placed before the Minister and the government previously. For example, The Canadian Legion repeated in substance the brief presented to the cabinet last fall at the time of the annual Remembrance Day presentation to government.

Treatment Services

10. The subject of hospitalization was dealt with in at least two briefs. The Sir Arthur Pearson War Blinded raised the issue of free hospitalization for all medical conditions. There was also some suggestion that admission procedures to veterans' hospitals might be improved.

11. In order to satisfy themselves on these points, members of the Committee visited Sunnybrook Hospital in Toronto. The members came away convinced that Sunnybrook was providing a comprehensive and adequate treatment service. A shortage of active treatment beds was in evidence, a problem created largely by the growing number of older veterans requiring domiciliary care rather than active hospital treatment. This, in turn, is related to the general problem arising from an ever-lengthening life span and an increasing proportion of older people in our population, and will only be resolved as more special residential accommodation for these senior citizens becomes available.

12. The Canadian Corps raised the special question of free treatment and hospitalization for members of the peacetime forces. As these servicemen do not come under the jurisdiction of the Department of Veterans Affairs, this matter is one that should be taken up with the Department of National Defence.

Hong Kong Veterans

13. The Hong Kong Veterans appeared before the Committee renewing their appeal for special compensation for slave labour, and for expenses incurred in making similar representations in the past. This problem is well known to the government. Only last November, as a result of continuing representations, the War Claims Regulations were amended, providing for an increase of 50 per cent in maltreatment awards.

14. The Committee investigated this further appeal with extreme care. Mr. Paul Theriault, Secretary of the War Claims Commission, appeared before the Committee and was questioned. Information as to the present state of the War Claims Fund was obtained from the Minister of Finance.

15. It was revealed that the maltreatment awards on a per diem basis under the War Claims Regulations include compensation for forced labour or any pecuniary loss suffered as a result of maltreatment during the period of internment. It was further revealed that this group includes some 4,000 prisoners of war in the European war theatre as well as the 1,300 prisoners of the Japanese.

16. The War Claims Fund derived from ex-enemy assets amounted to $10 million. Of this total, some $5.2 million came from Japanese sources. Out of the $5.2 million the Honk Kong prisoners and their dependants received $3,021,414 in maltreatment allowance. Canadians taken prisoner while serving with British forces received $188,940, and civilians, $494,788. A balance of $1.5 million of the Japanese awards has been paid to civilians for death, personal injury and property loss claims in the Far East.

17. A sum of $6 million remains in the fund. The fund is being rapidly depleted at the present time due to the large payments in respect of the supplementary maltreatment awards approved by the government last fall, and an earnest endeavour to settle claims as quickly as possible. Outstanding claims against it are far in excess of the remaining balance, and as a result of the recent publicity new claims are coming in daily. Because of these facts, the Secretary of State last November had stated that no further payments could be made to the Hong Kong group.

18. The Committee appreciates the difficulties of assuring an equitable distribution of the fund. At the same time it is aware of the special problems of veterans who were prisoners of war. It suggests that, in view of the obvious impossibility of settling all claims, the problem might be partially resolved by using a portion of the remaining balance to set up a Prisoner of War Benevolent Fund to meet the human needs of prisoners of war and their dependants. This special fund could be administered after the fashion of similar benevolent funds already operating on behalf of veterans and their dependants.

Corps of Canadian Fire Fighters

19. Representatives of the Corps of Canadian (Overseas) Fire Fighters appeared before a Committee for the first time since 1948. Its submission was similar to the one made on the former occasion.

20. The main request of the Fire Fighters is to be given the full status of veterans. This request had been turned down in the past on the grounds that the corps was formed under the War Measures Act as a civilian corps and administered by the Minister of National War Services rather than the Department and Minister of National Defence. Earlier Veterans Affairs Committees recommended an extension of veterans' benefits to the Fire Fighters (complete coverage in 1946 and partial in 1948). These recommendations were not accepted entirely by the government because of the non-military status of the corps.

21. The corps rendered outstanding fire fighting and civil defence service in the United Kingdom from 1942 until late in 1944. Because of the nature of their service, many benefits have been granted members of the corps under Fire Fighters War Services Benefits Act, the Civilian War Pensions and Allowance Act, etc. The Committee suggests that, as these measures are reviewed and amended from time to time, consideration might be given to providing wider coverage to members of the corps as circumstances warrant. This applies particularly to the War Veterans Allowance as the corps members reach age-eligibility.

22. The corps raised the question of their members eligibility for the Canadian Volunteer Service Medal and Clasp. Hitherto, this medal has been awarded only to Naval, Army, and Air Force personnel under Army Order 128-2, January 2, 1947. The Committee realizes that a matter of this kind is beyond the jurisdiction of the Department of Veterans Affairs and recommends that it be referred to the Department of National Defence for further consideration.

23. During recent days there has been some public discussion of proposed amendments to the Civil Service Act. These discussions have included references to the operation of the Veterans' Preference.

24. To clear up any uncertainty on this point the Committee heartily endorses the principle of the Veterans' Preference in the Civil Service Act and recommends that, in any contemplated amendments to the Act, this principle remain unchanged.

CONCLUSION

25. Throughout all the deliberations your Committee has been given generous assistance by many officials of several government departments. This applies especially to officials of the Department of Veterans Affairs. To them your Committee conveys its grateful thanks. It also tenders its sincere thanks to the Clerks of the Committees Branch who have rendered invaluable service in guiding its deliberations.

26. Copies of the Minutes of Proceedings and Evidence of the Committee have been tabled with the Second, Third and Fourth Reports on April 30, 1959, and the Fifth Report on June 2, 1959.

Respectfully submitted,

WALTER DINSDALE,
Chairman.

MINUTES OF PROCEEDINGS

MONDAY, June 1, 1959.

The Standing Committee on Veterans Affairs met at 3.30 p.m. this day. The Chairman, Mr. Dinsdale, presided.

Members present: Messrs. Badanai, Batten, Broome, Carter, Dinsdale, Forgie, Fortin, Herridge, Jung, Kennedy, Lennard, Macdonald (*Kings*), MacEwan, Matthews, O'Leary, Robinson, Stewart, Thomas, Webster, and Winkler.

In attendance: Mr. Lucien Lalonde, Deputy Minister, Department of Veterans Affairs; Brigadier T. J. Rutherford, Director, Soldiers' Settlement and Veterans' Land Act; Mr. A. D. McCracken, Senior Administrative Officer; Mr. H. C. Griffith, Superintendent of Construction; Mr. H. R. Holmes, Superintendent of Securities Division; Mr. W. Strojich, Superintendent, Property Division; and Mr. G. O'Brien, District Superintendent, Alberta District.

From the Canadian Association of Real Estate Boards: Messrs. Donald H. Koyl, President; H. W. Follows, National Secretary; Clayton Fitzsimmons, Chairman, Ottawa Liaison Committee; and Kenneth Binks, Counsel.

Agreed,—That the proposal made by Mr. Speakman at the Committee's last meeting be dealt with after the Committee has heard representations from the Canadian Association of Real Estate Boards.

Mr. Koyl introduced his colleagues and, from a prepared text, outlined the Association's views on Bill C-50 and in particular section 36 of the Veterans' Land Act.

During the course of his presentation, copies of the following documents were tabled and distributed to members of the Committee:

1. Roster of Active Members of the Canadian Association of Real Estate Boards;
2. Syllabus of Course in Real Estate sponsored by the Canadian Institute of Realtors;
3. Code of Ethics of the Canadian Association of Real Estate Boards.

Messrs. Rutherford, O'Brien and Holmes were questioned concerning points raised by the Association. Following the further questioning of Messrs. Koyl and Binks, the Committee thanked them for their presentation and went into *in camera* deliberations.

Agreed,—That Mr. Speakmen's proposal concerning areas of discrimination between veterans who have taken title to land and those who have not be included among the recommendations made by the Committee to the House. It was also decided to recommend that action be taken to ensure that the maximum level of loans as set forth in Part III of the Act be constantly reviewed and maintained at levels comparable to those available to other groups receiving assistance loans.

It was further decided that the Committee recommend the repeal of Section 36 of the Veterans' Land Act and ensure that the veterans' interests will still receive the necessary protection.

At 5.05 p.m. the Committee adjourned to the call of the Chair.

J. E. O'Connor,
Clerk of the Committee.

TUESDAY, June 2, 1959.

The Standing Committee on Veterans Affairs met *in camera* at 2 p.m. this day. The Chairman, Mr. Dinsdale, presided.

Members present: Messrs. Badanai, Beech, Broome, Dinsdale, Herridge, Kennedy, Lennard, Matthews, Stearns, and Webster.

The Committee considered a "Draft Report" to the House and, following discussion, instructed the Chairman to present it to the House as the Committee's Fifth Report.

At 2.15 p.m. the Committee adjourned to the call of the Chair.

J. E. O'Connor,
Clerk of the Committee.

WEDNESDAY, June 24, 1959.

The Standing Committee on Veterans Affairs met *in camera* at 2.00 c'clock p.m. this day, the Chairman, Mr. Walter Dinsdale, presiding.

Members present: Messrs. Badanai, Beech, Carter, Dinsdale, Fane, Forgie, Herridge, Jung, Kennedy, Lennard, McIntosh, Montgomery, Rogers, Speakman, Stearns, Webster and Weichel.

The Chairman presented to the Committee the draft of a report to the House concerning matters which had been considered by the Committee under the estimates of the Department of Veterans Affairs and which had arisen from representations made to the Committee by various veterans' organizations; the said draft report had been considered by the Subcommittee on Agenda and Procedure which had recommended it for the approval of the Committee.

The Committee considered the draft report in detail and made certain amendments thereto.

On motion of Mr. Herridge, seconded by Mr. Lennard,

Ordered (*unanimously*),—That the said report, as amended, be presented to the House.

At 2.35 o'clock p.m. the Committee adjourned to the call of the Chair.

Eric H. Jones,
Acting Clerk of the Committee.

EVIDENCE

MONDAY, June 1, 1959
3.30 p.m.

The CHAIRMAN: Gentlemen, we now have a quorum and we can proceed. Before we do so, I think there are one or two items standing over from our last meeting.

Mr. CARTER: I would like to ask for the correction of a typographical error in the minutes of the last meeting. In a statement of mine appearing on page 450, line 34, the figure 6,000 should be 60,000. That is the first one on the line.

The CHAIRMAN: The suggestion put forward by Mr. Speakman, I think, may be dealt with at the end of the meeting today when we consider our report on the Veterans Land Act and when we move into camera. Does anyone have any comments to make on that suggestion? I presume it meets with your approval. Is there any other business before we hear from the representatives of the Canadian Association of Real Estate Boards? Are we ready to consider their brief?

There are copies of it in your hands. Mr. Koyl, the president, is with us, and we welcome him to the committee. We shall be happy to listen to his brief and then perhaps after he has read it he would be willing to answer questions from members of the committee.

Now, Mr. Koyl.

Mr. D. H. KOYL, (*President, Canadian Association of Real Estate Boards*): I would be delighted, Mr. Chairman.

The CHAIRMAN: Are there any members of your organization with you today whom you would like to introduce to the committee?

Mr. KOYL: Yes, Mr. Chairman. I am accompanied by the national secretary of our organization, Mr. H. W. Follows who is sitting at the far end of the room, and the chairman of our Ottawa liaison committee, Mr. Clayton Fitzsimmons, and finally, the counsel of the organization, Mr. Kenneth Binks of Ottawa.

We first appeared before you back in the 'forties when we were an organization of only 600. Today we number over 10,000 members from coast to coast, and we represent 68 local real estate boards as well as eight provincial associations.

Turning to the brief, its purpose is to discuss section 36 of the Veterans Land Act, R.S.C. 1953-54, chapter 280.

> This standing committee has presently before it for consideration, bill C-50, being an act to amend The Veterans' Land Act, but there have been no proposals to amend section 36 of The Veterans' Land Act. Section 36 recites as follows:— "(1) No person, firm or corporation is entitled to charge or to collect as against or from any other person, firm or corporation any fee or commission or advance of price for services rendered in the sale of any land made to the Director, whether for the finding or introducing of a buyer or otherwise. (2) No person, firm or corporation shall pay to any other person, firm or corporation any such fee or commission or advance of price for any such services."

It is the submission of the Canadian Association of Real Estate Boards (CAREB) that this section should be repealed for the following reasons:—

We put the initials CAREB in as representing the Canadian Association of Real Estate Boards, and it is referred to as CAREB from here on.

1. It discriminates against real estate agents. There are no other provisions in The Veterans' Land Act which discriminate against any other trade or profession, except this section which discriminates against real estate agents.

As far as we know it is not in any other known act in Canada that such discrimination exists.

It should be observed that counsel to CAREB has been unable to find any similar legislation in any other country in the world, and more particularly those countries such as the United Kingdom, either federal legislatures or any one of the state legislatures of the United States of America, Australia and New Zealand, which would have land re-settlement problems after each of the world wars.

2. The section is unfavourable to real estate agents. It stigmatizes them as a business association which might take advantage of veterans. Many real estate agents are, of course, veterans, and by keeping the section in the act, there is a suggestion that the parliament of Canada does not have confidence in the ability of CAREB or the various provincial bodies to conduct its affairs on a sufficiently ethical and proper basis to protect veterans.

Digressing for a moment, my immediate past president, myself, and the next two presidents of this organization of ours are all veterans.

3. It is unfavourable to veterans because it denies them a much wider market which they would ordinarily have from which to buy land. According to a recent survey, over 90 per cent of all properties for sale were listed with real estate brokers, and this section prevents the veteran using this large pool. The section creates suspicion in the minds of veterans who might otherwise wish to seek the assistance of real estate agents who have knowledge of special situations which might greatly benefit the veteran.

They are unable to come to us for advice.

4. It is unnecessary as a protection to veterans, because real estate commission is invariably paid by the seller, not the buyer, and the section only operates when a veteran is buying land, and any suggestion to the contrary is ridiculous, as only market value can be obtained as the maximum price for any piece of property.

5. The reason stated for having the section in the first place was to protect veterans from the operations of unscrupulous brokers. This may or may not have been necessary in the 1920's, however, it is submitted that in the 1960's, which we are about to enter, the remedies to the public that exist are so numerous, such a Section is out of date, and certainly throughout the late 1940's and 1950's, the education of those in the real estate business has raised the level to a stage approaching professional status.

Here again on the word "remedies" which I have used in that paragraph, I would suggest there are four remedies: first of course there is the law of the land and the civil courts which will protect against fraud; secondly, there are the provincial licensing acts which exist across the country; thirdly, the local real estate board; and fourthly, the code of ethics which has been adopted

right across the country by all our members, and of which you have a copy in front of you.

6. The members of CAREB have only one objective, the ethical practice of real estate, and in their approach to this objective through education, the offices that they represent have become analysts of their local market, they have gained a knowledge of homes, the industry and the needs and growth of their community. In the past few years, the real estate broker of Canada has become a counsellor giving sound advice and, today, a profession exists for the public's protection in real estate matters. To accomplish this objective, CAREB has, at the national level, established a degree course through the university of Toronto. The first students to complete this three-year course were graduated in 1958, and while two hundred qualified professionals may seem small at present, the size of the student body is growing very rapidly, and the conduct of the course is being turned over to provincial educational institutions as facilities are developed within each province. For example, the university of Alberta put the course on a lecture basis this past winter for 131 students, who have now completed the first year. In British Columbia, the real estate brokers saw fit to endow a chair in real estate, which enabled the university of British Columbia to retain a professor in real estate subjects, and it is now possible to graduate from the university of British Columbia as a bachelor of commerce with a major in real estate. This means that Ontario, Alberta and British Columbia have carried this national effort through to the provincial level. In addition, these three provinces and other provinces have made provisions for more minor education for primary licensing examinations. At the local level, education is carried on in practically all real estate boards in order to up the standards of the person in the business.

We are affiliated with the Appraisal Institute of Canada, and we hold local seminars across the country. For instance, here in Ottawa the Ottawa Real Estate Board goes much further than the Ontario licencing act requires. They require a salesman to take an eight weeks course of study before he can even apply for his licence.

7. It has been suggested that from an administrative point of view, criticism might develop when agents' suggested transactions are not approved. This association is willing to agree that all decisions of the director in regard to purchases should be final and not subject to recourse beyond the director.

I might say there, that in that case we are used to this situation. After all, we apply to mortgage companies for mortgage funds and day after day we get some applications accepted while some are rejected. So we are accustomed to accepting such a situation.

8. Across the country, all levels of government are making use of the superior equipment being offered by the realtor for the acquisition of land, for the appraisal of land and for land assembly schemes. Here, in Ottawa, the National Capital Commission makes use of these facilities in the acquisition of millions of dollars' worth of land. Other departments of the government have no clause such as that contained in this act under section 36.

9. One of the effects of this section in denying the services of real estate agents has been that, in spite of the outstanding assembly job done within the administration the veteran, in a great many cases, has had to accept land within a veterans' settlement instead of being completely assimilated throughout the civilian life of the community.

10. It should be borne in mind that across this country, through the efforts of the real estate agents themselves, there now exist six provinces with licensing laws and, within a year, this will probably increase to eight provinces. All these licensing acts require bonding for the protection of the public.

I emphasize to you that all these licensing acts in existence today are the result of our action in our provincial groups within this organization.

11. It is submitted that the real estate broker or agent is invariably a small businessman, as even the trust companies who operate across the country operate a real estate department on a local basis. These trust companies are invariably members of the local real estate board.

12. All realtors are governed by a strict code of ethics which states in part that "Under all is the land, and upon its wise utilization and widely allocated ownership depends the survival and growth of free institutions and of our civilization. The realtor is the instrument through which the land resource of this country reaches its widest distribution. He is the creator of homes, a builder of cities, a developer of industry and productive farms."

Such functions impose obligations beyond those of ordinary commerce, they impose grave social responsibilities and patriotic duties. We submit that the realtor today is maintaining and improving the standards of his calling, and the realtor today jealously guards his responsibility for the integrity and honour of his industry that provides one of the three basics of life, shelter.

Our recommendations are that:

As an alternative to section 36, we respectfully submit that there are three methods of curing the problem contained in section 36. (a) It would be idealistic to expect the government to consider including this organization in the Act. (b) However, there is one cure under the present act, by the addition of a few words at the end of paragraph (1), and at the end of paragraph (2). The additional words suggested would be, "unless that person, firm or corporation be a licensed real estate broker or agent in the province in which the property is located". And, in the affidavit required of the vendor, after the word "corporation" in the first line, the addition of the words, "except a licensed real estate broker or agent in the province where the property is located".

You will note there that we are not asking for the members of the real estate board to be the only ones included. We are including all licensed brokers.

You may say that the above tends to give a blessing to the real estate broker and the director should not feel that such an obligation exists and, therefore, we submit that the best method of curing the problem to the satisfaction of all concerned would be to delete the present Section 36 entirely from the act. As a matter of fact, under section 41 of the act, the governor-in-council is empowered to make regulations in respect of the manner in which applications for purchase and sale may be made—that is a power given under section 41 (1) (b). An even wider power is given in section 41 (1) (j) of the act, where the governor-in-council may make regulations prescribing "with respect to any other matter concerning which the minister deems regulations necessary for the execution of the purposes of this act".

Since the director already has power by way of regulation to completely control this matter, we respectfully submit that section 36 of the act should be taken out, as it is superfluous.

Mr. Chairman, I shall be delighted to answer any questions which the members may put to me.

The CHAIRMAN: Thank you, Mr. Koyl.

Mr. BROOME: I would like to have more detailed comment on item three, which seems to me to be the key to the whole subject. It states that over 90 per cent of all properties for sale were listed with real estate brokers. This means that if section 36 prevents dealing with real estate brokers, then the director is very limited as to the property he can go after with which to form settlement areas or to take care of individual requirements; and it seems to me it leads to a massing of large blocks of land. Therefore, coming back to another section here, the grouping of veteran settlements, I know that normally veterans will find a good place here or there or some other place and spread throughout the community or area. But it would appear from number three that that is pretty well impossible today. So I would like Mr. Koyl to give us a bit more comment on number three, because it seems to me that it acts unfavourably to the interests of the veteran, if what he says is true.

Mr. KOYL: Mr. Chairman, we do not anticipate that the real estate brokers across the country will ever make a living out of the Veterans Land Act today. However, there perhaps will be some business. We are more anxious to get the stigma out of the act than to make a living out of it.

As to this suggestion of the 90 per cent of properties for sale being listed with real estate brokers, I must in all honesty say that it relates to the six provinces where statistics can be gathered, since the provinces which have licensing acts at the present time are British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, and Nova Scotia.

Private listing is something we have been concerned with over the years for the fact that by looking into them we can invariably ascertain that a property thus listed was too high for the market, or in some cases it had even been turned down by a real estate broker for listing, because he felt it was so far beyond the market. This 90 per cent of properties which are listed with real estate brokers is in actual fact within the areas in which we operate.

Is there any other part of that I could answer for you?

Mr. BROOME: Well, as a corollary, if they do not work through real estate brokers, it seems to me that the director has to go out and find property not listed for sale. And if it is not listed for sale, I would suspect the selling price would be rather high. It is only where there is intention to sell that you can reach a fair market value.

Mr. KOYL: That would be right. When an approach is made to a person asking him to sell, invariably the price is considerably more.

Mr. BROOME: One other question in respect to the assembly of land, let us say, for Central Mortgage and Housing Corporation or National Defence. Are there any restrictions in any department, or do they deal through brokers?

Mr. KOYL: They deal in which ever way they think they will acquire the property at the lowest price for the department concerned.

Mr. BROOME: That is the key to it. Get the property at the lowest price.

Mr. LENNARD: May I ask Brigadier Rutherford through you, Mr. Chairman, if it is the policy of this department to go out and dig up individual properties?

Brigadier T. J. RUTHERFORD (*Director, Soldier Settlement and Veterans Land Act, Department of Veterans Affairs*): No, but we do accept a type of listing from people who have property for sale. When a veteran is looking for a property he may ask the local credit advisor if he knows of any property, or we might give the veteran assistance in finding a property.

Mr. LENNARD: Well then your policy must have changed over the last fifteen years, because it was not your policy at that time to do it.

Mr. RUTHERFORD: We do not advertise for listings; but anybody who wants to sell property can tell us about it and we in turn may tell the veteran who may go to see it.

Mr. LENNARD: You do not advise them?

Mr. RUTHERFORD: No, we do not want to interfere to that extent.

Mr. BROOME: If a veteran finds a small holding that he would like, and if it is for sale and listed with a real estate broker, what would happen then?

Mr. RUTHERFORD: Our veteran would go to the vendor. He knows that the real estate broker cannot collect a fee from him if he sells to the director. The veteran will go to him and he may take along his credit advisor to evaluate the property and see whether or not it is suitable. Since he is able to bargain for cash, and since the vendor knows he does not have to pay a commission, the veteran is usually able to get it for considerably less than the asking price.

Mr. BROOME: I have bought some property on occasion myself and my experience has been that the chap who sold me the property, the agent, was acting in my interests as well as in the interests of the seller, the whole idea being to get us together on what would be a fair price. I have never considered him as working entirely for the seller. I have found him to be working just as much in my interests as those of the seller because he was anxious to make the sale, and the only way he could do that was to get it agreeable to both parties.

Mr. RUTHERFORD: Our credit advisor plays very much the same part in many cases. He is an accredited appraiser, and he has passed part II of the appraisal course. He will appraise the property and get a cash offer. Having appraised the property—probably it is a casual appraisal until the parties are closer to coming to terms—he tries to get them together and if he thinks it is worth the money, he may advise the veteran he should pay a little more than he intended. Generally speaking, when you have cash in your hand, you can get property cheaper than when speaking in terms of a mortgage.

Mr. BROOME: I would like to hear Mr. Koyl.

Mr. KOYL: If this property happened to be listed in a formal contract with a real estate broker, the veteran would have to pass it up. Otherwise there would be a suit. This listing of contracts in all these licensing laws is for a year or less, so it could in effect hold up a veteran on a particular piece of property for a year or he has to pass it up.

Mr. LENNARD: What difference would it make if our Veterans Land Act officials appraise a property and say it is worth so much in their opinion? Why should not the organization be able to purchase a certain piece of property, even if listed? I know that at the moment the act is against it; but if the veteran does not have to pay any more for that property than the officials deem is adequate,—and the seller pays the commission, I understand,—where does the veteran lose? The final say as to the value of the property is with the officials of the Veterans Land Act.

The CHAIRMAN: Are there any comments?

Mr. KOYL: I have no argument with that at all. Our organization would be very glad to have the Veterans Land Act be the final authority. We are not asking for a change to that at all.

Mr. BROOME: What does the director think about this recommendation where it says the director already has the power either to use or not use any facilities which may be available to him and that in effect, if he does not want to use real estate brokers, he cannot use them within the powers given in the section.

Mr. STEWART: But he could?

Mr. BROOME: Yes; or not, as he thought best.

Mr. RUTHERFORD: I have a great deal of sympathy for the real estate board and the proposition which they put forward today. They mentioned that a large number are veterans, and we have even more sympathy on this account. As to the question whether or not we would use them, I do not see any case where the director would use them unless he wanted to sell some property in which he thought they could be of assistance. If we thought they could be of assistance in selling property, we might engage them; but not to buy property.

Mr. LENNARD: Why?

Mr. RUTHERFORD: The veteran himself generally selects the property and brings it forward to us. We do not want to get too much involved in properties beforehand. The local credit advisor knows the properties which are for sale and is in a position to tell the veteran. Generally speaking, however, the veteran brings forward the property on his own.

Mr. LENNARD: If that property which he brought forward was listed with a real estate firm, would that prevent his going through with the purchase of the property?

Mr. RUTHERFORD: I do not know the nature of the contract the real estate firm would have with him; but I do know the vendor could not be sued for the commission when it is against the law to pay a commission.

Mr. ROBERTSON: Would you say that again?

Mr. RUTHERFORD: I do not think a vendor could be sued for the commission when it is against the law to pay a commission. It is a violation of section 36.

Mr. LENNARD: You mean to say that if a man came forward with certain property which met with your approval, because there was a real estate firm in the background it would be turned down?

Mr. RUTHERFORD: You have read the act, sir.

Mr. LENNARD: I am asking you.

Mr. RUTHERFORD: I do not think we would investigate too much if we thought the property was worth the money, but we would require that an affidavit be taken that no commission would be paid.

Mr. LENNARD: My thought is that this clause is out of date—very much so.

Mr. THOMAS: I would like to ask Mr. Rutherford if it is the purpose of the director of the Veterans Land Act to purchase this property in every case as cheaply as possible?

Mr. RUTHERFORD: Yes sir. It cannot be purchased at all if the price is more than the property is worth. It has always been our policy to purchase as cheaply as possible for the veteran.

Mr. THOMAS: I take it it was your purpose to purchase the property at the lowest possible price?

Mr. RUTHERFORD: Provided it is a satisfactory property for the purpose for which it is wanted. If it is, we then purchase it at the lowest possible price.

Mr. THOMAS: In your opinion, would the use of regular real estate channels add to the price?

Mr. RUTHERFORD: I am afraid I would have to say yes.

Mr. LENNARD: Not in all cases.

Mr. RUTHERFORD: I am sorry, gentlemen, that is just my opinion. I have no statistics to prove it, but I think I have to say yes to that question.

Mr. KOYL: This may have been true over the inflationary period when prices of property were going up faster than anyone realized. In other words, it could have been possible at that time to add to the price before it was on the market. I doubt that such a situation exists today. The market value is the governing price of a piece of property.

Mr. FORGIE: There have been substantial improvements in the value of land in the last two or three years for subdivision purposes.

Mr. KOYL: Yes. That is a different thing.

Mr. FORGIE: What part of the country do you come from? Is it rural or urban.

Mr. KOYL: I am from Saskatoon.

Mr. FORGIE: If you look at Toronto or up the Ottawa valley I think you will find prices have substantially increased within the last two or three years.

Mr. KOYL: I quite agree. I am very familiar with the area involved.

Mr. THOMAS: I wonder if the president of the real estate board would care to comment on that question of whether or not regular real estate channels would add to the price of land. We will assume that a seller has an irreducible figure in mind. He will go to a certain point and not below. Would the use of real estate agents tend to get him more for his property?

Mr. KOYL: I submit he would probably pay less because he has employed a good person to do his negotiations. There are no true answers to anyone's face that the price being offered must be the final price, so negotiations are carried out. We know from across the country that properties that are being sold privately are priced above the market in most cases, and that the real estate broker today does not take a listing for a property that is too far overpriced because he is sure that he is going to expend money on it and not get any return on it. Therefore, today he is in the position of turning down listings that are overpriced, and is also in the position of being a trained negotiator.

Mr. BROOME: Is it not true that if this section were deleted, you would still have two methods. In your position as director you could negotiate directly, or if a veteran finds a proposition which is a regular real estate listing, he can deal on that. On that second one he would deal only if the price met with your approval. In other words, if it were at anything greater than the market value the director would not approve of it for a V.L.A. loan.

The other corollary is that if this works for the V.L.A. there are a lot of other government departments wasting a lot of money.

Mr. KENNETH C. BINKS (*Counsel, Canadian Association of Real Estate Boards*): Mr. Chairman, the Association of Real Estate Boards is prepared to go this far on the whole question of the principle of control by the director in the administration of the Veterans Land Act. The recommendation that is embodied at the end of the brief does not, unfortunately, contain a copy of the Veterans Land Act; but on its face, when one considers the Veterans Land Act, section 36 is a black mark against the business or the dealings by real estate agents because the parliament of Canada, in effect, prohibits real estate agents having anything to do with the acquisition of land for veterans.

Now, when we examine section 41 of the act, we find, as we do in almost every statute these days, that the governor in council may, subject to the provisions of the act, make regulations prescribing a number of things. Subparagraph (b) and subparagraph (j) are ones to which I really want to call your attention.

The governor in council may make regulations prescribing the manner in which applications for the purchase and sale for veterans may be made. There is a much wider power embodied in subparagraph (j), where the governor in council may make regulations with regard to any other matter concerning which the minister deems regulations are necessary for the execution of the purposes of this act.

I say this, with respect, Mr. Chairman. The Association of Real Estate Boards is here today for a two-fold purpose. One is that there is the business aspect of it. That, however, is secondary to the other aspect. There is an aspect of principle here. We say with respect that, if the director still does not wish to employ real estate agents in the purchase of land for veterans, then there is already in section 41 a procedure whereby by making regulations he can prohibit the use of real estate agents. He already has that. That section has been there, I believe, since 1946. I think it commenced in 1942. It is the general regulation for this.

Over and above section 41, there is section 46, which takes a specific statutory objection to the employment of real estate agents. We respectfully submit he does not need to embody that in the act. He is empowered to do it by way of regulation if, in his wisdom, he wishes to do so. We do not now make any objection to that.

We do, however, strenuously object, with the greatest respect, to the stigma attached by the parliament of Canada prohibiting us in the act.

I say this subject to correction, but in the past two months I have not been able to find any country in the world which prohibits the use of real estate agents. It is an extraordinary prohibition, particularly when that power already has been given to the director by section 41. That is why we want section 31 struck out.

Mr. CARTER: Has your association made any objection to this before previous committees?

Mr. LENNARD: Oh, yes; they were here in 1945. There is nothing new at all about this.

Mr. KOYL: That was the last time we made a formal submission. We have passed resolutions at every convention since then, which asked that this be changed, but it has just been sent to Ottawa here in the form of a letter. No formal presentation has been made in that time.

Mr. BADANAI: What is the percentage of business which is affected under this legislation to which you are referring?

Mr. KOYL: I would hazard a guess that it would be under 1 per cent.

An hon. MEMBER: You would be happy if they took that regulation out and did not do any business with you?

Mr. KOYL: Yes.

Mr. LENNARD: There is a stigma attached to it.

Mr. KOYL: Yes.

Mr. LENNARD: I think it should be removed.

Mr. MACEWAN: What is your percentage rate? Is it the same—5 per cent for all of Canada?

Mr. KOYL: No; that would contravene the combines act. Every board sets its own rate. It varies between 4 per cent in Toronto to the rate of one board which is 7 per cent. Five per cent is the mean.

Mr. WEBSTER: Is that residential or rural?

Mr. KOYL: I would say 5 per cent would be the standard practically everywhere.

Mr. LENNARD: But the seller pays that premium. It that not correct?

Mr. KOYL: Yes. As a matter of fact, that is in most of the licensing acts.

Mr. ROBINSON: Up in our district I would say we are served very well by the representative of the V.L.A. It is my opinion that 99 per cent of the time when a chap picks out a particular piece of property which he likes it is negotiated through V.L.A. and the man ends up in a very good situation. As Mr. Koyl says, it might affect 1 per cent of the business. I would be inclined to go along with the idea that it is not serving much purpose in there. He considers it as a stigma against an association which is recognized in Canada as doing a very good job.

Mr. MATTHEWS: I would like to ask if there is any record of any kind where a veteran has lost a piece of property because of this bill?

Mr. KOYL: Those statistics have never been gathered for the last five or six years. It has been completely ignored as far as any contact with the veteran is concerned. When they come to our offices we just say, "we cannot deal with you as it stands at the moment".

Mr. MATTHEWS: I was wondering if the V.L.A. could give us that information. Do they know of any case where a veteran lost a parcel of land because it was held up to such an extent that they could not get it?

Mr. RUTHERFORD: I have been trying to think, but I do not know of any cases. Mr. O'Brien is here and perhaps he could throw some light on the subject.

Mr. W. G. O'BRIEN (*District Superintendent, V.L.A., for Alberta District*): To my knowledge, I could not cite one case. Further, I would point out that the relationship between the real estate agents in the province of Alberta and our staff has been very good. From a rural approach to this problem in Alberta I would like to say that our real estate agents, in general terms, are men who run insurance agencies, and the Veterans Land Act business increases their business. Again, the majority of our people who are buying farm properties are resident farmers of an area; it is not a case of obtaining full-sized units, it is for enlarging units. Most of our business lies there, and when local farmers are selling we like to have a full knowledge of those sales.

Mr. RUTHERFORD: While the act requires that we get a certificate from the vendor that he is not paying a commission, there has never been a prosecution under section 36 of the act. I have not been Director since inception, but in the last twelve years there has not been one prosecution.

Mr. MATTHEWS: I think we should be very careful that the veterans are not hurt at any time by this ruling. That is our big worry because, so far as the real estate people are concerned, they are not worrying about any profits; it is just the fact it puts a slight spot on their character. I think we could help two groups out at once.

Mr. JUNG: Possibly some other member of the committee who has been in parliament much longer than I, or someone from the department, could answer this question: why was section 36 put in in the first place?

Mr. RUTHERFORD: It was put in long before my time. It was in the Soldier Settlement Act. Probably Mr. Holmes could answer that question.

Mr. H. R. HOLMES (*Superintendent, Securities Division, Department of Veterans Affairs*): To the best of my knowledge it was put in simply to save the veteran money. We felt that our field staff knew as much about land which was available for sale as any real estate agent. It was to save the veteran money and to make sure that the price of the land to him would not be increased by the addition of real estate fees.

Mr. BROOME: We have been discussing farms and rural areas. Have not a lot of veterans taken up small holdings near cities, in what you might call semi-urban areas? Does it not apply to land consisting of one-and-a-half acres or in that neighbourhood?

Mr. RUTHERFORD: Yes, it applies to everything under part I of the act.

Mr. BROOME: Could a person take two acres outside the city of New Westminster, say three or four miles up the Fraser valley, and come under the V.L.A.?

Mr. RUTHERFORD: Yes, if it is suitably situated and had the proper acreage, we would buy that under part I, and section 36 is applicable.

Mr. BROOME: But in those areas which are very close to cities—areas which are close to large populated centres like the Vancouver-Burnaby-New Westminster area—undoubtedly any land which is for sale will be listed with a real estate board in that area. I do not see how a person can go out and buy any property which is suitable for their purposes, which is being freely offered outside of the city of Vancouver, without digging up someone who has not offered it for sale and whose price might be fairly high, and is precluded by this section from looking at the great mass of offerings which are on the market. It seems unfair to me. I think there must be quite a few commissions which have been paid through the back door under these conditions.

Mr. LENNARD: I think that is right; either that or they have to buy on some converted dump some place.

Mr. MACEWAN: Is it not true that there is a safety valve nowadays in the legislation, and it is dealt with by the director and various officials in that the final valuation is placed on the property by the department? I asked a similar question the other day and was informed by one of the officials that the various area or district people set the valuation on the property.

Mr. RUTHERFORD: We appraise the property in all cases, and we will not put more government money in it than the appraisal indicates. If the veteran happens to like a particular piece of land and the price is more than we think it is worth, we sometimes insist that the veteran put in some of his own money. The houses about which you spoke a while ago may be built on land which the veteran has already purchased. He owns it when he comes to us; and he may have bought it through a real estate agent before he comes to us to get the money to build his house.

The CHAIRMAN: Does that complete our discussion of the brief?

Agreed.

The CHAIRMAN: If so, we would like to thank Mr. Koyl and his colleagues for appearing before us and supplying us with the information which they have.

Mr. KOYL: Mr. Chairman, Mr. Director and members of the committee, I would like to thank you for your earnest hearing today; we appreciate the time you have taken in listening to us.

The CHAIRMAN: Thank you, Mr. Koyle. The committee now has completed its consideration of the amendments to the Veterans Land Act. If I could have your co-operation, gentlemen, perhaps we should move into camera to consider our report back to the house.

Agreed.

—At this point the committee continued its meeting in camera.

—Upon resuming, in open meeting.

The CHAIRMAN: All right, gentlemen, let us go back into open session. All I have to do is ask the question. Shall the bill carry?

Agreed.

The CHAIRMAN: Shall I report the bill without amendments?

Mr. HERRIDGE: With recommendations.

Mr. THOMAS: What happened in regard to that recommendation for the change in that one clause I brought up the other day?

The CHAIRMAN: It is on the report for today. It is report No. 15.

Mr. THOMAS: Was that disposed of?

The CHAIRMAN: It will be included in our report as a recommendation. Are there any further questions?

Mr. HERRIDGE: Do I understand, Mr. Chairman, that the committee will not meet to consider the report until your return? You said you were going to be away?

The CHAIRMAN: That is correct.

—The Committee adjourned.