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HOUSE OF COMMONS

Second Session—Twenty-seventh Parliament

1967

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: Mr. GÉRALD LANIEL

PROCEEDINGS

No. 1

TUESDAY, JUNE 6, 1967

INCLUDING

Appendix A:

Main Estimates (1967-68) of the Department of Veterans Affairs.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

STANDING COMMITTEE

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: Mr. Gérard Laniel

Vice-Chairman: Mr. Harry Harley

and

Mr. Boulanger,
Mr. Chatterton,
Mr. Clancy,
Mr. Cowan,
Mr. Émard,
Mr. Fane,
Mr. Groos,
Mr. Habel,

Mr. Herridge,
Mr. Kennedy,
Mr. Latulippe,
Mr. Legault,
Mr. MacRae,
Mr. Madill,
Mr. Martin (*Timmins*),
Mr. Matheson,

Mr. Morison,
Mr. Ormiston,
Mr. Rock,
Mr. Thomas
(*Maisonneuve-
Rosemont*),
Mr. Tolmie,
Mr. Webb—24.

(Quorum 13)

D. E. Levesque,
Clerk of the Committee.

Mr. Deachman replaced Mr. Groos on June 2, 1967.

INCLUDING

Appendix A:

Main Estimates (1967-68) of the Department of Veterans Affairs

ROGER DUNHAM, P.C.C.
CHIEF CLERK AND CONTROLLER OF STATIONERY
OTTAWA, ONT.

ORDERS OF REFERENCE

HOUSE OF COMMONS,
Friday, May 19, 1967.

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

Messrs.

Boulanger,	Harley,	Martin (<i>Timmins</i>),
Chatterton,	Herridge,	Matheson,
Clancy,	Kennedy,	Morison,
Cowan,	Laniel,	Ormiston,
Émard,	Latulippe,	Rock,
Fane,	Legault,	Thomas (<i>Maisonneuve-</i>
Groos,	MacRae,	<i>Rosemont</i>),
Habel,	Madill,	Tolmie,
		Webb—(24).

THURSDAY, June 1, 1967.

Ordered,—That the Items listed in the Main Estimates for 1967-68, relating to the Department of Veterans Affairs, presented to this House at the present session, be withdrawn from the Committee of Supply and be referred to the Standing Committee on Veterans Affairs, saving always the power of the Committee of Supply in relation to the voting of public monies.

FRIDAY, June 2, 1967.

Ordered,—That the name of Mr. Deachman be substituted for that of Mr. Groos on the Standing Committee on Veterans Affairs.

Attest.

LÉON-J. RAYMOND,
The Clerk of the House of Commons.

MINUTES OF PROCEEDINGS

TUESDAY, June 6, 1967.

(1)

The Standing Committee on Veterans Affairs met this day at 10:30 o'clock a.m. for the purpose of organization.

Members present: Messrs. Boulanger, Chatterton, Clancy, Cowan, Émard, Habel, Harley, Herridge, Laniel, Latulippe, Martin (*Timmins*), Matheson, Morison, Thomas (*Maisonneuve-Rosemont*), Tolmie, Webb—(16).

The Clerk attending and having called for nominations to elect a Chairman, it was moved by Mr. Harley, seconded by Mr. Webb that Mr. Gérald Laniel be elected Chairman of this Committee.

Mr. Boulanger moved, seconded by Mr. Habel,
Agreed,—That nominations be closed.

The Clerk put Mr. Harley's motion and it was *resolved* in the affirmative. Mr. Laniel took the Chair and thanked the Committee for the honour.

The Chairman called for nominations for the election of a Vice-Chairman.

It was moved by Mr. Tolmie, seconded by Mr. Boulanger,
That Mr. Harley be elected Vice-Chairman.

Mr. Boulanger moved, seconded by Mr. Webb,
Agreed,—That nominations be closed.

The Chairman put Mr. Tolmie's motion and it was *resolved* in the affirmative.

On motion of Mr. Matheson, seconded by Mr. Clancy,

Resolved,—That the Committee print 500 copies in English and 250 copies in French of its Minutes of Proceedings and Evidence, with the understanding that additional copies will be printed when required.

Mr. Herridge moved, seconded by Mr. Morison,

Agreed,—That the items listed in the Main Estimates for 1967-68 relating to the Department of Veterans Affairs be printed as appendix in Issue No. 1 of the proceedings of this Committee. (*See Appendix "A"*.)

It was moved by Mr. Thomas, seconded by Mr. Boulanger,

Agreed,—That the Chairman, the Vice-Chairman and three other members appointed by the Chairman do compose the Subcommittee on Agenda and Procedures.

Messrs. Herridge and Émard requested that a synopsis of the Committee's trip to Europe last year, be appended to the next issue of the Committee's proceedings. It was decided that the subcommittee deal with this matter.

At 10:55 o'clock a.m., Mr. Thomas moved, seconded by Mr. Webb, that the Committee adjourn to the call of the Chair.

D. E. Levesque,
Clerk of the Committee.

VETERANS AFFAIRS

No. of Vote	Service	1967-68	1966-67	Change	
				Increase	Decrease
		\$	\$	\$	\$
(S)	Minister of Veterans Affairs—Salary and Motor Car Allowance (Details, page 574).....	17,000	17,000		
	ADMINISTRATION				
1	Departmental Administration (Details, page 574).....	5,702,200	5,234,500	467,700	
	WELFARE SERVICES, ALLOWANCES AND OTHER BENEFITS				
5	Administration, including the expenses of the War Veterans Allowance Board (Details, page 575).....	6,452,400	6,293,400	159,000	
10	War Veterans Allowances, Civilian War Allowances and Assistance in accordance with the provisions of the Assistance Fund Regulations (Details, page 577).....	115,721,000	112,975,000	2,746,000	
15	Other Benefits, including Education Assistance, Hospital Insurance Premiums or payments in lieu thereof re recipients of War Veterans Allowance and Civilian War Allowance, and repayments under subsection (3) of section 12 of the Veterans' Rehabilitation Act in such amounts as the Minister of Veterans Affairs determines, not exceeding the whole of amounts equivalent to the compensating adjustments or payments made under that Act, where the persons who made the compensating adjustments or payments received no benefits under the Veterans' Land Act, or where, having had financial assistance under the Veterans' Land Act, are deemed by the Minister on termination of their Veterans' Land Act contracts or agreements to have derived thereunder either no benefits or benefits that are less than the amounts of the compensating adjustments or payments, and grants as detailed in the Estimates (Details, page 578).....	2,710,200	2,798,200		88,000
(S)	War Service Gratuities, Re-Establishment Credits and repayments under section 13A of the War Service Grants Act of compensating adjustments made in accordance with the terms of the Veterans' Land Act (Details, page 579).....	505,000	455,000	50,000	
		125,388,600	122,521,600	2,867,000	
	PENSIONS				
20	Administration (Details, page 580).....	3,212,000	3,107,300	104,700	
25	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; Newfoundland Special Awards; Burial Grants; and Gallantry Awards (World War II and Special Force) (Details, page 581).....	198,979,000	197,003,000	1,976,000	
		202,191,000	200,110,300	2,080,700	

No. of Vote	Service	1967-68	1966-67	Change	
				Increase	Decrease
		\$	\$	\$	\$
TREATMENT SERVICES					
30	Operation and Maintenance including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year for hospital and related services (Details, page 582).....	55,703,900	52,649,400	3,054,500	
35	Hospital Construction, Improvements, Equipment and Acquisition of Land (Details, page 584).....	5,947,000	5,058,000	889,000	
38	Treatment and Related Allowances (Details, page 585).....	2,610,000	2,730,000		120,000
		64,260,900	60,437,400	3,823,500	
SOLDIER SETTLEMENT AND VETERANS' LAND ACT					
40	Administration of Veterans' Land Act; Soldier Settlement and British Family Settlement; 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; and 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 (Details, page 585).....	5,338,600	4,728,900	609,700	
45	Grants to veterans settled on Provincial Lands in accordance with agreements with Provincial Governments under section 38 of the Veterans' Land Act, grants to veterans settled on Dominion Lands in accordance with an agreement with the Minister of Indian Affairs and Northern Development under section 38 of the Veterans' Land Act and grants to Indian veterans settled on Indian Reserve Lands under section 39 of the Veterans' Land Act (Details, page 587).....	130,000	145,000		15,000
(S)	Provision for reserve for conditional benefits, Veterans' Land Act (Details, page 588).....	3,508,000	3,395,000	113,000	
		8,976,600	8,268,900	707,700	
SUMMARY					
	To be voted.....	402,506,300	392,722,700	9,783,600	
	Authorized by Statute.....	4,030,000	3,867,000	163,000	
		406,536,300	396,589,700	9,946,600	

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		Approximate Value of Major Services not included in these Estimates		
		Accommodation (provided by the Department of Public Works).....	2,250,100	2,065,000
		Accommodation (in this Department's own buildings). Accounting and cheque issue services (Comptroller of the Treasury).....	8,011,800	7,000,100
		Contributions to Superannuation Account (Treasury Board).....	3,935,800	3,261,300
		Contributions to Canada Pension Plan Account and Quebec Pension Plan Account (Treasury Board).....	4,367,300	3,165,800
		Employee surgical-medical insurance premiums (Treasury Board).....	862,800	886,600
		Employee compensation payments (Department of Labour).....	417,900	284,300
		Carrying of franked mail (Post Office Department).....	182,600	121,200
			56,600	57,800
			20,084,900	16,842,100
		Statutory—Minister of Veterans Affairs—Salary and Motor Car Allowance		
		Salary.....(1)	15,000	15,000
		Motor Car Allowance.....(2)	2,000	2,000
			17,000	17,000
		ADMINISTRATION		
		Vote 1—Departmental Administration		
		Salaried Positions:		
		Executive, Scientific and Professional:		
		Deputy Minister (\$24,840)		
1	1	Senior Officer 3 (\$20,500-\$24,750)		
1	1	Senior Officer 1 (\$16,500-\$20,500)		
4	4	Administrative and Foreign Service:		
		(\$16,000-\$18,000)		
2		(\$14,000-\$16,000)		
7	6	(\$12,000-\$14,000)		
51	33	(\$10,000-\$12,000)		
16	39	(\$8,000-\$10,000)		
37	37	(\$6,000-\$8,000)		
19	36	(Part Time)		
	3	Technical, Operational and Service:		
		(\$8,000-\$10,000)		
3	2	(\$6,000-\$8,000)		
6	14	(\$4,000-\$6,000)		
10	22	(Under \$4,000)		
15	15	Administrative Support:		
		(\$8,000-\$10,000)		
3		(\$6,000-\$8,000)		
53	15	(\$4,000-\$6,000)		
345	277	(Under \$4,000)		
88	288	Prevailing Rate Positions:		
		(Full Time)		
	3			
661	796			

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		ADMINISTRATION (Continued)		
		Vote 1 (Continued)		
(661)	(795)	Salaries and Wages (including \$440,000 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay)..... (1)	3,965,000	3,750,000
		Allowances..... (2)	7,200	8,000
		Corps of Commissionaires Services..... (4)	27,500	27,000
		Last Post Fund..... (4)	435,000	370,000
		Books of Remembrance..... (4)	2,500	500
		Travelling Expenses—Staff..... (5)	75,000	60,000
		Freight, Express and Cartage..... (6)	13,500	20,200
		Postage..... (7)	5,600	5,600
		Telephones and Telegrams..... (8)	43,000	44,700
		Publication of Departmental Reports and Other Material..... (9)	8,500	14,000
		Advertising and Publicity..... (10)	35,000	35,500
		Office Stationery, Supplies, Equipment and Furnishings..... (11)	200,000	165,500
		Rental of Office Machines..... (11)	29,400	20,500
		Battlefields Memorials..... (14)	95,000	86,000
		Maintenance of Departmental Cemeteries and Plots..... (14)	44,000	45,000
		Commonwealth War Graves Commission..... (20)	538,000	536,000
		Memorial and Remembrance Ceremonies..... (22)	140,000	
		Campaign Stars and Medals, including cost of distribution..... (22)	3,000	2,000
		Sundries..... (22)	35,000	44,000
			5,702,200	5,234,500
			Expenditure	
		1964-65.....	\$ 2,654,820	
		1965-66.....	2,665,251	
		1966-67 (estimated).....	5,175,000	
		WELFARE SERVICES ALLOWANCES AND OTHER BENEFITS		
		Vote 5—Administration, including the expenses of the War Veterans Allowance Board		
		VETERANS' WELFARE SERVICES		
		Salaried Positions:		
		Executive, Scientific and Professional:		
		Senior Officer 1 (\$16,500-\$20,500)		
		Administrative and Foreign Service:		
		(\$14,000-\$16,000)		
		(\$10,000-\$12,000)		
		(\$8,000-\$10,000)		
		(\$6,000-\$8,000)		
		Technical, Operational and Service:		
		(\$6,000-\$8,000)		
		(\$4,000-\$6,000)		
		(Under \$4,000)		
1	1			
2	2			
4	4			
37	11			
72	80			
161	161			
115	114			
4	3			

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
WELFARE SERVICES, ALLOWANCES AND OTHER BENEFITS (Continued)				
Vote 5 (Continued)				
VETERANS' WELFARE SERVICES (Continued)				
Salaried Positions: (Continued)				
Administrative Support:				
		(\$8,000-\$10,000)		
2		(\$6,000-\$8,000)		
45	14	(\$4,000-\$6,000)		
448	245	(Under \$4,000)		
155	390			
1,046	1,025			
(1,046)	(1,025)			
Salaries (including \$570,000 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay)..... (1)				
			5,600,000	5,520,000
Allowances..... (2)				
				3,800
Corps of Commissionaires Services..... (4)				
			37,000	35,000
Professional and Special Services..... (4)				
			18,000	16,000
Travelling Expenses—Staff..... (5)				
			252,000	205,000
Postage..... (7)				
			38,000	38,000
Telephones and Telegrams..... (8)				
			60,000	60,700
Office Stationery, Supplies, Equipment and Furnishings..... (11)				
			121,000	70,000
Materials and Supplies..... (12)				
			5,000	4,000
Acquisition of Motor Vehicles..... (16)				
			10,000	7,000
Repairs and Upkeep of Equipment..... (17)				
			7,500	7,000
Travelling Expenses—Applicants, Recipients and Others..... (22)				
			17,000	19,200
Sundries..... (22)				
			5,000	3,800
			6,170,500	5,989,500
Expenditure				
1964-65.....			\$ 3,836,938	
1965-66.....			3,942,308	
1966-67 (estimated).....			5,859,800	
WAR VETERANS ALLOWANCE BOARD—ADMINISTRATION				
1	1	Chairman (\$19,440)		
1	1	Deputy Chairman (\$17,280)		
5	5	Member (\$15,120)		
Salaried Positions:				
Administrative and Foreign Service:				
	2	(\$8,000-\$10,000)		
3	2	(\$6,000-\$8,000)		
Administrative Support:				
	2	(\$8,000-\$10,000)		
1	2	(\$6,000-\$8,000)		
10	12	(\$4,000-\$6,000)		
9	6	(Under \$4,000)		
1				
31	31			
(31)	(31)			
Salaries (including \$37,000 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay)..... (1)				
			263,000	265,000
Travelling Expenses—Staff..... (5)				
			2,000	2,000
Postage..... (7)				
			300	300
Telephones and Telegrams..... (8)				
			1,500	1,500

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
WELFARE SERVICES, (Continued)				
Vote 5 (Continued)				
WAR VETERANS ALLOWANCE BOARD—ADMINISTRATION (Continued)				
		Office Stationery, Supplies, Equipment and Furnishings.....(11)	10,000	5,000
		Pensions—Retired Board Members.....(21)	5,000	5,000
		Sundries.....(22)	100	100
			281,900	278,900
		Expenditure		
		1964-65..... \$ 223,617		
		1965-66..... 230,531		
		1966-67 (estimated)..... 280,700		
ITEM NOT REQUIRED FOR 1967-68				
		Grant to World Veterans Federation.....(20)		25,000
		Expenditure		
		1964-65..... \$.....		
		1965-66.....		
		1966-67 (estimated)..... 23,307		
		Total, Vote 5.....	6,452,400	6,293,400
		Expenditure		
		1964-65..... \$ 4,060,555		
		1965-66..... 4,172,839		
		1966-67 (estimated)..... 6,163,807		
Vote 10—War Veterans Allowances, Civilian War Allowances and Assistance in accordance with the provisions of the Assistance Fund Regulations				
WAR VETERANS ALLOWANCES AND CIVILIAN ALLOWANCES				
		North West Field Force.....	13,000	12,000
		South African War.....	568,000	608,000
		World War I.....	63,600,000	66,110,000
		World War II and Special Force (Korea).....	40,400,000	36,100,000
		Dual Service (World Wars I and II).....	2,045,000	2,315,000
		Civilian War Allowances.....	2,495,000	2,325,000
		(28)	109,121,000	107,470,000
		Expenditure		
		1964-65..... \$ 92,845,721		
		1965-66..... 99,901,624		
		1966-67 (estimated)..... 104,500,000		

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
WELFARE SERVICES, (Continued)				
Vote 10 (Continued)				
ASSISTANCE IN ACCORDANCE WITH THE PROVISIONS OF THE ASSISTANCE FUND REGULATIONS..... (28)			6,600,000	5,505,000
Expenditure				
1964-65.....			\$ 3,977,234	
1965-66.....			5,699,092	
1966-67 (estimated).....			6,000,000	
Total, Vote 10.....			115,721,000	112,975,000
Expenditure				
1964-65.....			\$ 96,822,955	
1965-66.....			105,600,716	
1966-67 (estimated).....			110,500,000	
Vote 15—Other Benefits, including Education Assistance, Hospital Insurance Premiums or payments in lieu thereof re recipients of War Veterans Allowance and Civilian War Allowance, repayments under subsection (3) of section 12 of the Veterans' Rehabilitation Act in such amounts as the Minister of Veterans Affairs determines, not exceeding the whole of amounts equivalent to the compensating adjustments or payments made under that Act, where the persons who made the compensating adjustments or payments received no benefits under the Veterans' Land Act, or where, having had financial assistance under the Veterans' Land Act, are deemed by the Minister on termination of their Veterans' Land Act contracts or agreements to have derived thereunder either no benefits or benefits that are less than the amounts of the compensating adjustments or payments, and grants as detailed in the Estimates				
Training and Aftercare of Blinded Pensioners by Canadian National Institute for the Blind..... (4)			65,000	62,000
Special Welfare and Placement Services..... (4)			17,200	17,200
Correspondence Courses..... (4)			21,000	25,000
Grant to Army Benevolent Fund..... (20)			18,000	18,000
Grant to Royal Canadian Legion..... (20)			9,000	9,000
Awaiting Returns Allowances..... (28)			37,000	45,000
University and Vocational Training..... (28)			49,000	22,000
Children of War Dead (Education Assistance)..... (28)			856,000	815,000
Assistance to Canadian Veterans—Overseas District. (28)			30,000	30,000
Repayments under Section 12(3), Veterans Rehabilitation Act..... (28)			5,000	5,000
Hospital Insurance Premiums, or Payments in lieu, for Recipients of War Veterans Allowance and Civilian War Allowance..... (28)			1,603,000	1,750,000
			2,710,200	2,798,200

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
WELFARE SERVICES, (Continued)				
Vote 15 (Continued)				
		Expenditure		
		1964-65.....	\$ 1,005,159	
		1965-66.....	1,155,148	
		1966-67 (estimated).....	2,700,000	
Statutory—War Service Gratuities, Re-Establishment Credits and Repayments under section 13A of the War Service Grants Act of compensating adjustments made in accordance with the terms of the Veterans' Land Act				
STATUTORY—WAR SERVICE GRATUITIES (CHAP. 289, R.S.) (28)			5,000	5,000
		Expenditure		
		1964-65.....	\$ 4,818	
		1965-66.....	2,263	
		1966-67 (estimated).....	5,000	
STATUTORY—RE-ESTABLISHMENT CREDITS (CHAP. 289, R.S.)..... (28)			300,000	200,000
		Expenditure		
		1964-65.....	\$ 291,147	
		1965-66.....	216,974	
		1966-67 (estimated).....	190,000	
STATUTORY—REPAYMENTS UNDER SECTION 13A OF THE WAR SERVICE GRANTS ACT OF COMPENSATING ADJUSTMENTS MADE IN ACCORDANCE WITH THE TERMS OF THE VETERANS' LAND ACT..... (28)			200,000	250,000
		Expenditure		
		1964-65.....	\$ 220,888	
		1965-66.....	195,731	
		1966-67 (estimated).....	200,000	
Total, Statutory Item.....			505,000	455,000
		Expenditure		
		1964-65.....	\$ 516,853	
		1965-66.....	414,968	
		1966-67 (estimated).....	395,000	

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
PENSIONS				
Vote 20—Administration				
1	1	Chairman, Canadian Pension Commission (\$21,600)		
1	1	Deputy Chairman, Canadian Pension Commission (\$19,440)		
15	15	Commissioner (\$17,280)		
Salaried Positions:				
Executive, Scientific and Professional:				
1	1	Medical Officer 6 (\$21,000-\$22,000)		
1	1	Medical Officer 5 (\$18,500-\$19,500)		
14	14	(\$18,000-\$20,000)		
39	39	(\$16,000-\$18,000)		
1	1	(\$12,000-\$14,000)		
Administrative and Foreign Service:				
1	1	(\$10,000-\$12,000)		
3	3	(\$8,000-\$10,000)		
11	11	(\$6,000-\$8,000)		
Technical, Operational and Service:				
4	4	(\$8,000-\$10,000)		
11	11	(\$6,000-\$8,000)		
		(\$4,000-\$6,000)		
Administrative Support:				
3	3	(\$8,000-\$10,000)		
37	17	(\$6,000-\$8,000)		
178	154	(\$4,000-\$6,000)		
37	84	(Under \$4,000)		
358	358	Salaries (including \$320,000 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay).....(1)	2,675,000	2,570,000
(358)	(358)	Allowances.....(2)	5,000	4,800
		Professional and Special Services.....(4)	85,000	90,000
		Travelling Expenses—Staff.....(5)	83,000	96,000
		Postage.....(7)	13,500	13,500
		Telephones and Telegrams.....(8)	18,500	18,500
		Office Stationery, Supplies, Equipment and Furnishings.....(11)	59,000	39,000
		Travelling Expenses—Applicants, Pensioners and Escorts.....(22)	200,000	200,000
		Sundries.....(22)	3,000	2,500
		Compensation for Loss of Earnings.....(28)	70,000	73,000
			3,212,000	3,107,300
			Expenditure	
		1964-65.....	\$ 2,792,022	
		1965-66.....	2,858,096	
		1966-67 (estimated).....	3,170,900	

VETERANS AFFAIRS

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Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
PENSIONS (Continued)				
Vote 25—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; Newfoundland Special Awards; Burial Grants and Gallantry Awards (World War II and Special Force)				
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				
		North West Field Force and General.....	8,000	6,000
		The Flying Accidents Compensation Order.....	66,000	55,000
		World War I.....	60,650,000	61,800,000
		World War II.....	131,335,000	128,630,000
		Civilians, World War II.....	707,000	660,000
		Defence Forces—Peacetime Services.....	3,720,000	3,510,000
		Special Forces (Korea).....	2,025,000	1,878,000
		Newfoundland Special Awards.....	38,000	37,000
		Burial Grants.....	400,000	400,000
		(27)	198,949,000	196,976,000
		Expenditure		
		1964-65.....	\$180,300,376	
		1965-66.....	185,532,099	
		1966-67 (estimated).....	195,500,000	
GALLANTRY AWARDS—WORLD WAR II AND SPECIAL FORCE..... (28)				
		Expenditure		
		1964-65.....	\$ 25,787	
		1965-66.....	27,226	
		1966-67 (estimated).....	29,000	
		Total, Vote 25.....	198,979,000	197,003,000
		Expenditure		
		1964-65.....	\$180,326,163	
		1965-66.....	185,559,325	
		1966-67 (estimated).....	195,529,000	

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
TREATMENT SERVICES				
Vote 30—Operation and Maintenance including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year for hospital and related services				
TREATMENT SERVICES—OPERATION OF HOSPITALS AND ADMINISTRATION INCLUDING AUTHORITY, NOTWITHSTANDING THE FINANCIAL ADMINISTRATION ACT, TO SPEND REVENUE RECEIVED DURING THE YEAR FOR HOSPITAL AND RELATED SERVICES				
Salaried Positions:				
Executive, Scientific and Professional:				
1	1	Senior Officer 3 (\$20,500-\$24,750)		
73	88	Medical Specialist 2 (\$17,500-\$24,750)		
6	7	Medical Officer 6 (\$21,000-\$22,000)		
7	7	Medical Officer 5 (\$18,500-\$19,500)		
30		(\$18,000-\$20,000)		
46		(\$16,000-\$18,000)		
9	78	(\$14,000-\$16,000)		
35	35	(\$12,000-\$14,000)		
12	2	(\$10,000-\$12,000)		
64	27	(\$8,000-\$10,000)		
175	198	(\$6,000-\$8,000)		
	32	(\$4,000-\$6,000)		
205	260	(Under \$4,000)		
1	1	(Part Time)		
Administrative and Foreign Service:				
2	3	(\$12,000-\$14,000)		
10	10	(\$10,000-\$12,000)		
36	36	(\$8,000-\$10,000)		
36	35	(\$6,000-\$8,000)		
	30	(\$4,000-\$6,000)		
Technical, Operational and Service:				
1		(\$12,000-\$14,000)		
	1	(\$10,000-\$12,000)		
8	5	(\$8,000-\$10,000)		
224	135	(\$6,000-\$8,000)		
4,345	3,252	(\$4,000-\$6,000)		
1,374	3,612	(Under \$4,000)		
2	2	(Part Time)		
Administrative Support:				
5		(\$8,000-\$10,000)		
86	15	(\$6,000-\$8,000)		
798	548	(\$4,000-\$6,000)		
382	797	(Under \$4,000)		
	1	(Part Time)		
Prevailing Rate Positions:				
1,466	1,766	(Full Time)		
9,439	10,964			
(9,438)	(10,962)			
(75)	(47)			
(9,513)	(11,009)			
		Continuing Establishment.....	42,400,000	46,958,000
		Casuals and Others.....	300,000	150,000
		Salaries and Wages (including \$3,218,000 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay).....(1)	42,700,000	47,108,000
		Overtime.....(1)	721,000	800,000
		Night Differential Payments for Operating Services.....(2)	211,000	300,000
		Hospitalization in other than Department of Veterans Affairs Institutions.....(4)	7,799,000	3,905,000
		Fees—Doctors and Consultants, Department of Veterans Affairs Institutions.....(4)	3,452,000	3,620,000
		Corps of Commissionaires Services.....(4)	804,000	900,000
		Canadian Red Cross Society—Arts and Crafts Program.....(4)	133,000	133,000
		Other Professional and Special Services.....(4)	5,316,000	3,522,000

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
TREATMENT SERVICES (Continued)				
Vote 30 (Continued)				
TREATMENT SERVICES—OPERATION OF HOSPITALS AND ADMINISTRATION ETC. (Continued)				
		Travelling Expenses—Staff.....(5)	205,000	195,000
		Freight, Express and Cartage.....(6)	53,000	44,000
		Postage.....(7)	65,000	65,000
		Telephones and Telegrams.....(8)	205,000	222,600
		Publication of Medical Services Journal, Canada.....(9)	13,500	21,000
		Office Stationery, Supplies, Equipment and Furnishings.....(11)	210,000	157,000
		Materials and Supplies.....(12)	10,821,000	11,440,000
		Repairs and Upkeep of Buildings and Works, including Land.....(14)	945,000	1,020,000
		Rentals of Buildings, Works and Land.....(15)	69,400	12,000
		Acquisition of Motor Vehicles.....(16)	54,000	40,000
		Repairs and Upkeep of Equipment.....(17)	254,000	360,000
		Light and Power.....(19)	372,000	440,000
		Water Rates, Taxes and Other Public Utility Services.....(19)	161,000	190,000
		Unemployment Insurance Contributions.....(21)	57,000	61,800
		Travelling Expenses—Patients and Escorts.....(22)	765,000	706,000
		Laundry.....(22)	308,000	290,000
		Nursing Assistants—Trainees' Allowances.....(22)	62,000	57,000
		Medical Education.....(22)	22,000	20,000
		Funerals.....(22)	550,000	550,000
		Cemetery Charges.....(22)	145,000	140,000
		Grave Markers.....(22)	150,000	155,000
		Sundries, including allowances to student laboratory technicians.....(22)	118,000	132,000
			76,740,900	76,606,400
		Less—Recoverable Costs—Treatment of Patients, Staff Meals and Accommodation, etc.....(34)	21,452,000	24,392,000
			55,288,900	52,214,400
		Expenditure		
		Revenue		
		1964-65.....	\$ 66,723,111	\$22,983,329
		1965-66.....	71,959,445	24,645,036
		1966-67 (estimated).....	76,880,000	23,140,000
TREATMENT SERVICES—MEDICAL RESEARCH				
Salaried Positions:				
		Executive, Scientific and Professional:		
		(\$16,000-\$18,000)		
1		(\$12,000-\$14,000)		
1		(\$10,000-\$12,000)		
	2	(\$8,000-\$10,000)		
5		(\$6,000-\$8,000)		
6	5	(\$4,000-\$6,000)		
	6	(Part Time)		
1	1	Technical, Operational and Service:		
		(\$6,000-\$8,000)		
12		(\$4,000-\$6,000)		
33	50	(Part Time)		
1	1			
60	65			

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		TREATMENT SERVICES (Continued)		
		Vote 30 (Continued)		
		TREATMENT SERVICES—MEDICAL RESEARCH (Continued)		
(59)	(64)	Salaries.....(1)	228,000	256,000
		Fees of Specialists engaged in Research.....(4)	131,000	137,000
		Other Professional and Special Services.....(4)	5,000	1,000
		Travelling Expenses—Staff.....(5)	3,000	3,000
		Special Research Drugs.....(12)	1,000	1,000
		Special Research Equipment.....(16)	30,000	25,000
		Miscellaneous Expenses.....(22)	15,000	10,000
		Travelling Expenses—Patients and Escorts.....(22)	1,000	1,000
		Compensation for Loss of Earnings.....(28)	1,000	1,000
			415,000	435,000
		Expenditure		
		1964-65.....	\$ 420,987	
		1965-66.....	417,726	
		1966-67 (estimated).....	422,000	
		Total, Vote 30.....	55,703,900	52,649,400
		Expenditure Revenue		
		1964-65.....	\$ 67,144,098	\$22,983,329
		1965-66.....	72,377,171	24,645,036
		1966-67 (estimated).....	77,302,000	23,140,000
		Vote 35—Hospital Construction, Improvements, Equipment and Acquisition of Land		
		HOSPITAL CONSTRUCTION, IMPROVEMENTS, EQUIP- MENT AND ACQUISITION OF LAND		
		Hospital Construction and Improvements.....(13)	4,772,000	3,668,000
		Construction or Acquisition of Equipment.....(16)	1,175,000	890,000
			5,947,000	4,558,000
		Expenditure		
		1964-65.....	\$ 2,199,288	
		1965-66.....	1,684,304	
		1966-67 (estimated).....	2,600,000	

VETERANS AFFAIRS

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Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		TREATMENT SERVICES (Continued)		
		Vote 35 (Continued)		
		ITEM NOT REQUIRED FOR 1967-68		
		CONTRIBUTION TO THE PROVINCE OF ALBERTA TOWARDS THE COST OF CONSTRUCTING AND EQUIPPING A NURSING HOME.....(13).....		
				500,000
		Expenditure		
		1964-65.....	\$.....	
		1965-66.....		
		1966-67 (estimated).....	615,000	
		Total, Vote 35.....	5,947,000	5,058,000
		Expenditure		
		1964-65.....	\$ 2,199,288	
		1965-66.....	1,684,304	
		1966-67 (estimated).....	3,215,000	
		Vote 39—Treatment and Related Allowances....(28)	2,610,000	2,730,000
		Expenditure		
		1964-65.....	\$ 2,724,562	
		1965-66.....	2,621,200	
		1966-67 (estimated).....	2,575,000	
		SOLDIER SETTLEMENT AND VETERANS' LAND ACT		
		Vote 40—Administration of Veterans' Land Act; Soldier Settlement and British Family Settlement; 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; and 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		
		ADMINISTRATION OF VETERANS' LAND ACT; SOLDIER SETTLEMENT AND BRITISH FAMILY SETTLEMENT		
		Salaried Positions:		
		Executive, Scientific and Professional:		
		Director of Soldier Settlement and Director, Veterans' Land Act (\$18,360)		
		(\$14,000-\$16,000)		
		Administrative and Foreign Service:		
		(\$14,000-\$16,000)		
		(\$12,000-\$14,000)		
		(\$10,000-\$12,000)		
		(\$8,000-\$10,000)		
		(\$6,000-\$8,000)		
1	1			
1				
1				
9	8			
2	4			
53	51			
125	121			

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
SOLDIER SETTLEMENT AND VETERANS' LAND ACT (Continued)				
Vote 40 (Continued)				
ADMINISTRATION OF VETERANS' LAND ACT; SOLDIER SETTLEMENT AND BRITISH FAMILY SETTLEMENT (Continued)				
Salaried Positions: (Continued)				
Technical, Operational and Service:				
		(\$12,000-\$14,000)		
2		(\$10,000-\$12,000)		
1	2	(\$8,000-\$10,000)		
2	1	(\$6,000-\$8,000)		
116	117	(\$4,000-\$6,000)		
2	2			
Administrative Support:				
		(\$8,000-\$10,000)		
2		(\$6,000-\$8,000)		
39	14	(\$4,000-\$6,000)		
274	184	(Under \$4,000)		
27	144			
657	649	Continuing Establishment.....	4,325,000	3,928,000
(657)	(649)	Casuals and Others.....	30,000	20,000
(8)	(5)			
(665)	(654)	Salaries and Wages (including \$408,000 allotted during 1966-67 from the Finance Contingencies Vote for increases in rates of pay)..... (1)	4,355,000	3,948,000
		Professional and Special Services..... (4)	416,000	225,700
		Travelling Expenses..... (5)	367,000	353,000
		Freight, Express and Cartage..... (6)		200
		Postage..... (7)	42,500	42,500
		Telephones and Telegrams..... (8)	55,000	55,000
		Office Stationery, Supplies, Equipment and Fur- nishings..... (11)	58,000	41,000
		Motor Vehicles—Purchase and Replacement..... (16)	2,500	4,000
		Repairs and Upkeep of Motor Vehicles..... (17)	3,000	3,000
		Expenses of Regional Advisory Committees and Provincial Advisory Boards..... (22)	4,000	5,300
		Sundries..... (22)	9,700	8,700
			5,312,700	4,686,400
Expenditure				
		1964-65..... \$	4,285,368	
		1965-66.....	4,340,324	
		1966-67 (estimated).....	5,105,000	
UPKEEP OF PROPERTY, VETERANS' LAND ACT, INCLUDING ENGINEERING AND OTHER INVESTI- GATIONAL PLANNING EXPENSES THAT DO NOT ADD TANGIBLE VALUE TO REAL PROPERTY; TAXES, IN- SURANCE AND MAINTENANCE OF PUBLIC UTILITIES				
		Consulting Engineers, Surveyors, etc..... (4)	1,000	1,000
		Maintenance of Public Utilities..... (14)	8,800	24,800
		Taxes..... (19)	12,500	13,000
		Sundries..... (22)	600	700
			22,900	39,500
Expenditure				
		1964-65..... \$	32,853	
		1965-66.....	28,314	
		1966-67 (estimated).....	33,000	

VETERANS AFFAIRS

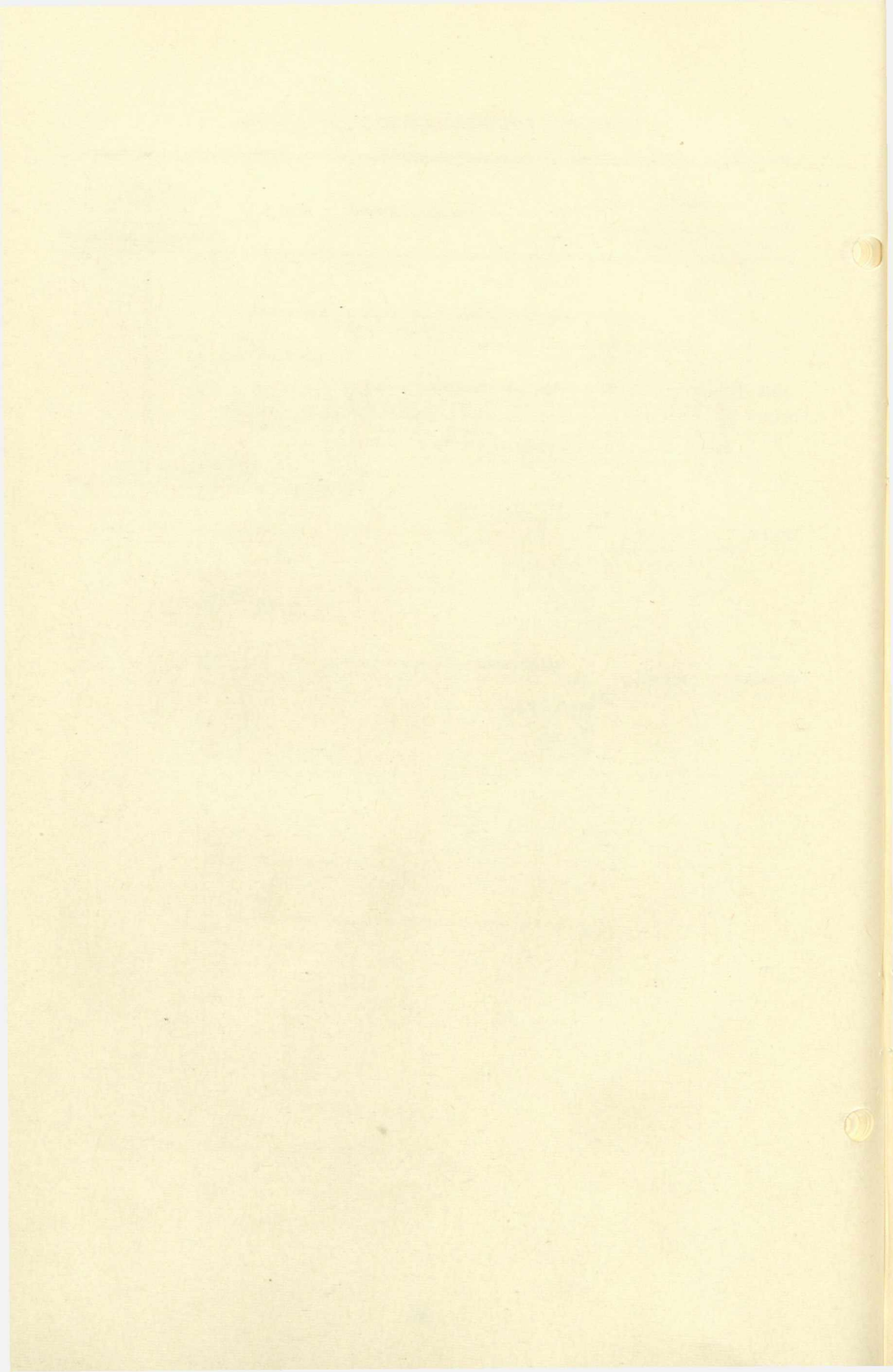
587

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		SOLDIER SETTLEMENT AND VETERANS' LAND ACT (Continued)		
		Vote 40 (Continued)		
		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..... (14)		
			3,000	3,000
		Expenditure		
		1964-65..... \$	3,568	
		1965-66.....		
		1966-67 (estimated).....	2,000	
		Total, Vote 40.....	5,338,600	4,728,900
		Expenditure		
		1964-65..... \$	4,321,789	
		1965-66.....	4,368,638	
		1966-67 (estimated).....	5,140,000	
		Vote 45—Grants to veterans settled on Provincial Lands in accordance with agreements with Provincial Governments under section 38 of the Veterans' Land Act, grants to veterans settled on Dominion Lands in accordance with an agreement with the Minister of Indian Affairs and Northern Development under section 38 of the Veterans' Land Act and grants to Indian veterans settled on Indian Reserve Lands under section 39 of the Veterans' Land Act		
		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 INDIAN AFFAIRS AND NORTHERN DEVELOPMENT UNDER SECTION 38 OF THE VETERANS' LAND ACT... (28)		
			110,000	115,000
		Expenditure		
		1964-65..... \$	76,652	
		1965-66.....	111,065	
		1966-67 (estimated).....	105,000	

Positions (man-years)		Details of Services	Amount	
1967-68	1966-67		1967-68	1966-67
			\$	\$
		SOLDIER SETTLEMENT AND VETERANS' LAND ACT (Continued)		
		Vote 45 (Continued)		
		GRANTS TO INDIAN VETERANS SETTLED ON INDIAN RESERVE LANDS UNDER SECTION 39 OF THE VET- ERANS' LAND ACT.....(28)	20,000	30,000
		Expenditure		
		1964-65.....\$ 17,021		
		1965-66.....19,258		
		1966-67 (estimated).....20,000		
		Total, Vote 45.....	130,000	145,000
		Expenditure		
		1964-65.....\$ 93,673		
		1965-66.....130,323		
		1966-67 (estimated).....125,000		
		Statutory—Provision for reserve for conditional benefits, Veterans' Land Act.....(28)	3,508,000	3,395,000
		Expenditure		
		1964-65.....\$ 3,147,372		
		1965-66.....3,202,633		
		1966-67 (estimated).....3,395,000		

LOANS, INVESTMENTS AND ADVANCES

No. of Vote	Service	1967-68	1966-67	Change	
				Increase	Decrease
		\$	\$	\$	\$
	VETERANS AFFAIRS				
	Soldier Settlement and Veterans' Land Act				
L115	To increase to \$530,000,000 the amount that may be charged at any one time to the Veterans' Land Act Fund established by section 5A of the Veterans' Land Act, for the purposes of Parts I, II and III of that Act except sections 38, 39 and 56 thereof—additional amount required.....	150,000,000	150,000,000	



OFFICIAL REPORT OF MINUTES
OF
PROCEEDINGS AND EVIDENCE

This edition contains the English deliberations and/or a translation into English of the French.

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Translated by the General Bureau for Translation, Secretary of State.

LÉON-J. RAYMOND,
The Clerk of the House.

HOUSE OF COMMONS

Second Session—Twenty-seventh Parliament

1967

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: Mr. GÉRALD LANIEL

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

THURSDAY, JUNE 8, 1967

Respecting

The Main Estimates (1967-68) of the Department of Veterans Affairs
and

Statement by The Honourable Roger Teillet, Minister of
Veterans Affairs

WITNESSES:

From the Department of Veterans Affairs: Mr. Paul Pelletier, Deputy Minister, Mr. T. D. Anderson, Chairman of the Canadian Pension Commission, Mr. W. T. Cromb, Chairman of War Veterans Allowance Board, Mr. A. D. McCracken, Director (Budget Administration) Veterans Land Administration, Dr. K. S. Ritchie, Director, General Treatment Services.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

HOUSE OF COMMONS

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: Mr. Gérald Laniel

Vice-Chairman: Mr. Harry Harley

and

Mr. Boulanger,
Mr. Chatterton,
Mr. Clancy,
Mr. Cowan,
Mr. Deachman,
Mr. Émard,
Mr. Fane,
Mr. Habel,

Mr. Herridge,
Mr. Kennedy,
Mr. Latulippe,
Mr. Legault,
Mr. MacRae,
Mr. Madill,
Mr. Martin (*Timmins*),
Mr. Matheson,

Mr. Morison,
Mr. Ormiston,
Mr. Rock,
Mr. Thomas
(*Maisonneuve-
Rosemont*),
Mr. Tolmie,
Mr. Webb—24.

(Quorum 13)

D. E. Levesque,
Clerk of the Committee.

PROCEEDINGS AND EVIDENCE

No. 2

THURSDAY, JUNE 8, 1967

The Main Estimates (1967-68) of the Department of Veterans Affairs

Statement by The Honourable Roger Toller, Minister of Veterans Affairs

WITNESSES:

From the Department of Veterans Affairs: Mr. Paul Pelletier, Deputy Minister, Mr. T. D. Anderson, Chairman of the Canadian Pension Commission, Mr. W. T. Gromp, Chairman of War Veterans Allowance Board, Mr. A. D. McCracken, Director (Budget Administration), Veterans Land Administration, Dr. K. S. Ritchie, Director, General Treatment Services.

ROGER DUMAMEL, P.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

MINUTES OF PROCEEDINGS

THURSDAY, June 8, 1967.

The Standing Committee on Veterans Affairs met this day at 9.45 o'clock a.m. The Chairman, Mr. Laidel, presided.

Members present: Messrs. Chatterton, Cowan, Deachman, Emard, Habel, Harley, Herridge, Laniel, Legault, Madill, MacRae, Martin (*Timmins*), Morison, Thomas (*Maisonnette-Rosemont*), Tolmie, Webb (16).

In attendance: From the Department of Veterans Affairs: The Honourable Roger Teillet, Minister; Mr. Paul Pelletier, Deputy Minister; Mr. C. F. Black, Departmental Secretary; Dr. K. S. Ritchie, Director General, Treatment Services; Mr. C. S. T. Tubb, Director Social Welfare, Welfare Services; Mr. P. E. Reynolds, Director, Legal Services; Mr. J. E. Walsh, Director, Financial Management; Mr. A. D. McCracken, Director, Budget & Administration, Veteran's Land Administration; Mr. W. T. Cromb, Chairman, War Veterans' Allowance Board; Mr. T. D. Anderson, Chairman, Canadian Pension Commission; Dr. W. F. Brown, Chief Medical Adviser, Canadian Pension Commission; Mr. A. L. Fortey, Secretary, Canadian Pension Commission; Mr. F. G. Stockley, Chief, Budget & Administration, Canadian Pension Commission; Mr. W. G. H. Roaf, Deputy Chairman, War Veterans' Allowance Board; Mr. P. Benoit, Executive Assistant, War Veterans' Allowance Board.

The Chairman opened the meeting and informed the Committee that the following members composed the Subcommittee on Agenda and Procedure: Mr. Laniel, Chairman, Mr. Harley, Vice-Chairman, Mr. Chatterton, Mr. Herridge and Mr. Latulippe.

The Clerk of the Committee was asked to read the Report of the subcommittee which is as follows:

"FIRST REPORT OF YOUR SUBCOMMITTEE

Your Subcommittee met on Tuesday, June 6, 1967, in the Chairman's Office.

Members Present: Messrs. Laniel, Herridge, Harley, Chatterton and Latulippe.

The Committee discussed Agenda and Procedure.

Your Committee recommends:

1. That we proceed forthwith with the consideration of the Departmental Estimates and that no witnesses, other than Departmental Officials, will be called, in order to expedite the study of Estimates and recommend them to the House prior to summer recess.
2. In order to permit the Committee to continue sitting after having reported the Estimates to the House, your Subcommittee recommends that the Chairman be authorized to make representation to the

Minister in view of having the Annual Report of the Department of Veterans Affairs referred to the Committee immediately. It was decided that Veterans organizations would be invited to make representations to the Committee at that time.

Your Subcommittee is also hopeful of an early opportunity to study the Wood's Report.

3. Your Subcommittee agreed that the following schedule of meetings be submitted for your approval:

Thursday, June 8—9.30 a.m.—Room 208

Tuesday, June 13—11.00 a.m.—Room 208

Thursday, June 15—11.00 a.m.—Room 208

Friday, June 16—9.30 a.m.—Room 208

If necessary, it was suggested that the Committee consider sitting from 1.00 p.m. to 2.30 p.m.

4. It was agreed that the Committee proceed with the study of Estimates in the following order:

(a) Vote (1). Administration—will be called for the purpose of hearing the Minister's presentation and to permit questions of a general nature. This item will then be stood and re-examined after all other votes have been disposed of.

(b) Votes 25 and 20. Pensions.

(c) Votes 10, 15 and 5—Welfare services, Allowances and other benefits.

(d) Votes 40, 45 and L115—Soldiers Settlement and Veterans Land Act.

(e) Votes 30, 35 and 38—Treatment Services.

(f) Complete Vote (1)—Administration.

5. Your Chairman was authorized to prepare a draft report of the Committee's trip to Europe last summer, to be presented for your approval at a future meeting, and be appended to our Proceedings and Evidence."

Mr. Chatterton moved, seconded by Mr. Legault,

Agreed,—That the First Report of the Subcommittee be adopted as read.

The Chairman called Item (1) of the Main Estimates (1967-68) of the Department of Veterans Affairs and introduced the Minister.

The Honourable Roger Teillet, Minister of Veterans Affairs addressed the Committee.

Mr. Paul Pelletier, Deputy Minister, was asked to introduce the Officials of the Department.

The Committee proceeded to the questioning of the Minister and his Officials.

The Chairman thanked the Minister for his address and for having accepted the Committee's invitation.

The Chairman asked that Item (1) stand and called Items 25 and 20 relating to pensions.

It was agreed that a letter from Mr. W. T. Cromb, Chairman of War Veterans Allowance Board addressed to Recipients of War Veterans Allowances and Civilian War Allowances be appended to this issue (*See appendix "B"*)

Items 25 and 20 were severally examined and adopted.

At 11.05 o'clock a.m., on motion of Mr. Harley, seconded by Mr. Chatterton, the Committee adjourned to Tuesday, June 13, 1967.

The Chairman: Gentlemen, I now are a quorum and I call the meeting to order.

Before we begin the study of the departmental estimates and invite the Minister to make his presentation I wish to inform the Committee that after consultation with the different parties the following members have been chosen to be members of the Subcommittee on Agenda and Procedure—primarily called the Subcommittee: Mr. Harley, Mr. Chatterton, Mr. Hertridge, Mr. Legendre, and myself.

The Subcommittee met on Tuesday afternoon in my office and I now invite the Clerk of the Committee to read the first report of the Subcommittee.

(*See Minutes of Proceedings*)

Mr. Chatterton: Did not the Subcommittee recommend that not only the Woods report but also the departmental report on pension rates be referred to the Committee?

The Chairman: I do not understand your question.

Mr. Chatterton: The Minister has informed the House that a departmental committee has been established to study the freezing of pension rates. It is my understanding that the Subcommittee recommended that this report also should be referred to the Veterans Affairs Committee.

The Chairman: I am not sure I did not misunderstand it that way.

Mr. Hertridge: That is a matter we can attend to at a later meeting.

The Chairman: Yes. We have no idea of how soon such a report could be available. Actually, it has not been prepared for the Committee. It would be left to the discretion of the Minister, I believe.

If there are no other questions, could I have a motion to adopt the report?

Mr. Chatterton: I agree.

Mr. Legendre: I second the motion.

The Chairman: I now invite the Minister to make his presentation. I welcome him today and I am also happy to see our other officials of the Department and I hope the Minister or the Deputy Minister will take the opportunity to introduce them to the members of the Committee. I know you are quite busy, Mr. Minister, as there is a cabinet meeting this morning. I do not wish to delay you, so I will give you the floor.

The Honourable Roger Tallon (Minister of Veterans Affairs): Thank you, Mr. Chairman and gentlemen. I must say to you first that I am going to read my comments this morning. I have been on the road for ten days now in very charming company, with Princess Alexandra. She is much younger than I and the boys have rather beaten me down. In fact, I feel about 30 hours sleep right now.

However, I think it is most appropriate, even if it is coincidental, that this meeting of your Committee should be held on the eve of National Veterans Week which will begin our steady—merciful Sunday—and which will be observed throughout Canada, not only in recognition of the more than 100,000 Canadians who died in the battlefields of the world but also in tribute to the one million or so veterans who living in Canada.

We, as members of parliament, have a special duty and a heavy responsibility in relation to the legislation that provides benefits to those who offered their lives in the service of their country. During this and your next several meetings you will closely examine the estimates of the Department of Veterans Affairs, of the Canadian Pension Commission and of the War Veterans Allowance Board.

That you will do this with the effectiveness and in the unbridled spirit that has become the hallmark of this Committee, I have not the slightest doubt and in coming out I should not be held responsible for establishing this process in any manner. I shall request my remarks this morning to the essential minimum.

to be assigned that a letter from Mr. W. T. Camp, Chairman of War Veterans Allowances Board addressed to the Honorable Secretary of War Veterans Allowances and Civilian War Allowances be presented to the Committee (See Appendix "B")

Items 25 and 26 were severally examined and adopted.
At 11:05 o'clock a.m., on motion of Mr. Harley, seconded by Mr. Chatterton, the Committee adjourned to Tuesday, June 13, 1956.

D. E. Lavigne,
Clerk of the Committee.

201 room - June 11 - 11:00 a.m. - 12:00 p.m.

202 room - June 12 - 10:00 a.m. - 11:00 a.m.

203 room - June 13 - 10:00 a.m. - 11:00 a.m.

It was announced that the Committee meeting will be held on Tuesday, June 13, 1956, at 10:00 a.m. in Room 203.

It was also announced that the Committee will be holding a public hearing on the subject of the proposed amendments to the Veterans' Allowances Act on Tuesday, June 13, 1956, at 10:00 a.m. in Room 203.

The Committee will be holding a public hearing on the subject of the proposed amendments to the Veterans' Allowances Act on Tuesday, June 13, 1956, at 10:00 a.m. in Room 203. The hearing will be held in Room 203 and will be open to all interested parties.

- (1) Items 25 and 26.
- (2) Item 27 - War Veterans Allowances and other benefits.
- (3) Item 28 - Veterans' Settlement and Veterans Land Act.
- (4) Item 29 - Veterans' Survey.
- (5) Item 30 - Miscellaneous.

The Committee will be holding a public hearing on the subject of the proposed amendments to the Veterans' Allowances Act on Tuesday, June 13, 1956, at 10:00 a.m. in Room 203. The hearing will be held in Room 203 and will be open to all interested parties.

Mr. Chatterton, Secretary of the Committee.

It was also announced that the Committee will be holding a public hearing on the subject of the proposed amendments to the Veterans' Allowances Act on Tuesday, June 13, 1956, at 10:00 a.m. in Room 203.

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Mr. Paul Harley, Secretary of the Committee, was asked to inform the officials of the Department.

The Committee will be holding a public hearing on the subject of the proposed amendments to the Veterans' Allowances Act on Tuesday, June 13, 1956, at 10:00 a.m. in Room 203. The hearing will be held in Room 203 and will be open to all interested parties.

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EVIDENCE

(Recorded by Electronic Apparatus)

Thursday June 8, 1967.

Motion agreed to.

The Chairman: Gentlemen, I now see a quorum and I call the meeting to order.

Before we begin the study of the departmental estimates and invite the Minister to make his presentation I wish to inform the Committee that after consultation with the different parties the following members have been chosen to be members of the Subcommittee on Agenda and Procedure, commonly called the Subcommittee: Mr. Harley, Mr. Chatterton, Mr. Herridge, Mr. Latulippe and myself.

The Subcommittee met on Tuesday afternoon in my office and I now invite the Clerk of the Committee to read the first report of the Subcommittee.

(See Minutes of Proceedings)

Mr. Chatterton: Did not the Subcommittee recommend that not only the Woods report but also the departmental report on pension rates be referred to the Committee?

The Chairman: I do not understand your question.

Mr. Chatterton: The Minister has informed the House that a departmental committee also has been established to study the question of pension rates. It is my understanding that the Subcommittee recommended that this report also should be referred to the Veterans Affairs Committee.

The Chairman: I am not sure. I did not understand it that way.

Mr. Herridge: That is a matter we can attend to at a later meeting.

The Chairman: Yes. We have no idea of how soon such a report could be available. Actually, it has not been prepared for the Committee. It would be left to the discretion of the Minister, I believe.

If there are no other questions, could I have a motion to adopt the report?

Mr. Chatterton: I so move.

Mr. Legault: I second the motion.

The Chairman: We are very happy to have the Minister with us this morning. I welcome him today and should like to tell him that the door is open to all our future meetings. I am also happy to see so many officials of the Department and I hope the Minister or the Deputy Minister will take the opportunity to introduce them to the members of the Committee. I know you are quite busy, Mr. Minister, as there is a cabinet meeting this morning. I do not wish to delay you, so I will give you the floor.

The Honourable Roger Teillet (Minister of Veterans Affairs): Thank you, Mr. Chairman and gentlemen. I must say to you first that I am going to read my comments this morning. I have been on the road for ten days now in very charming company, with Princess Alexandra. She is much younger than I and the hours have rather beaten me down. In fact, I need about 20 hours sleep right now.

However, I think it is most appropriate, even if it is coincidental, that this meeting of your Committee should be held on the eve of National Veterans Week which will begin our Sunday—memorial Sunday—and which will be observed throughout Canada, not only in commemoration of the more than 100,000 Canadians who died on the battlefields of the world but also in tribute to the one million or so veterans still living in Canada.

We, as members of parliament, have a special duty and a heavy responsibility in relation to the legislation that provides benefits to those who offered their lives in the service of their country. During this and your next several meetings, you will closely examine the estimates of the Department of Veterans Affairs, of the Canadian Pension Commission and of the War Veterans Allowance Board.

That you will do this with the effectiveness and in the businesslike manner that has become the hallmark of this Committee, I have not the slightest doubt. And in order that I should not be held responsible for inhibiting this process in any manner, I shall restrict my remarks this morning to the essential minimum.

Of all the benefits contained in the veterans' charter, disability pensions have undoubtedly attracted the greatest attention in recent months, and quite rightly. The Committee of Inquiry established late in 1965, under the chairmanship of Mr. Justice Mervyn Woods, has been conducting, within its terms of reference, a most thorough review of the Pension Act. During the course of this review, the Committee has received a great many more representations from organizations and individuals than had initially been expected. As a consequence, Mr. Justice Woods and his colleagues have found it necessary to devote much more time than had been planned to the review of evidence and historical data. Although I obviously know nothing of the nature of the recommendations this Committee will make, I do know that it has done a great deal of research and I am confident that the report, which I hope will be completed this summer, will be of great help to me in arriving at conclusions which are of the utmost importance to our disability pensioners and their dependents.

In passing, I might add here that I had the opportunity of speaking to the secretary of the committee in Winnipeg—I believe it was yesterday or it may have been the day before—and it is hoped that this report will be completed by the end of this month or very early next month. They are holding meetings in Winnipeg today and tomorrow.

Concurrently with the inquiry being conducted by the Woods Committee, a special study has been undertaken within the Department of Veterans Affairs with regard to the basis on which disability pensions have historically been based and to the various means by which pension rates have, from time to time, been modified. I need not stress to a gathering of this kind the immense difficulties inherent in this kind of study. Indeed, it is probably not much of an exaggeration to say that there are as many different opinions on this matter as there are individuals. None the less, it remains a fact that our disability pension legislation was devised when economic conditions and other social factors were vastly different from those obtaining in Canada today. Because of this, and in view of the inquiry now being conducted by the Woods Committee into all other aspects of the pension legislation, this seemed to me the most opportune time to conduct a searching study of the matter of actual pension rates. This study will require several months more to complete but I wish to assure this Committee, and through it, our disability pension-

ers that any required adjustments in pension rates will not be held up because the study is not ready.

You are all quite familiar with the detailed statement of policy I made in the house of commons in March, 1964, with regard to the conditions under which the government would entertain turning over the control and operation of veterans' hospitals to jurisdictions other than the federal government. You also know that, effective October 1, 1966, Sunnyside Hospital was transferred to the university of Toronto. From all the reports I have received to date, this transfer has proved to be of real benefit in ensuring the maintenance of treatment standards available to our veterans.

Negotiations are now virtually complete with regard to the transfer of Ste. Foy Hospital in Quebec to Laval University and discussions are well advanced with regard to the future of Lancaster Hospital at Saint John, New Brunswick. I have every confidence that, when agreements have entered into with regard to Ste. Foy and Lancaster Hospitals, this will also turn out to be the ultimate advantage of our veterans who require hospitalization and treatment.

(Translation)

Mr. Chairman, a word now about the trip that you and your Committee colleagues made to England, France and Italy last summer. This trip allowed you not only to attend the very moving ceremonies in memory of our dead, but also to see the magnificent work done by the War Burials Committee of the Commonwealth in the too numerous cemeteries where our veterans are buried. Moreover, and perhaps even more important, this trip enabled you to discuss very thoroughly with the proper authorities the entire matter of disability pensions given to English and French veterans. The information thus acquired will undoubtedly be very useful to you in the course of your discussions.

The budgetary expenditures for 1967-68, which you will be examining, total some \$406 millions. I believe this is the highest in history. This is an increase of almost \$10 million over last year. In addition, there is an item in the loans, investments and advances section, on page 594 of the estimates to authorize an increase of \$150 million in the veterans land act fund.

The total increase of approximately \$10 million is made up as follows. The pensions votes have been increased by some \$2 million,

war veterans allowances and civilian war allowances by some \$2.75 million, construction by \$900,000 and administration, operation and maintenance by \$4.3 million of which \$3 million is attributable to treatment services. Higher salary and wage costs arising from revisions in pay rates, job reclassifications and a general provision for further salary increases of three per cent, approximately \$1.7 million, accounts for about one-half of the increase in administration, operation and maintenance expenses, while the balance is due largely to higher costs of supplies and services, particularly in the treatment program.

The increased requirements for pensions and war veterans allowances can be attributed entirely to the September 1, 1966 revisions. Otherwise, requirements for both these programs would have diminished—in the case of pensions due to the gradual decline in numbers of pensioners and dependents, and in the case of war veterans allowances because of the reduction in the age at which old age security is now payable. I might add that the extensive review made of pensions payable to Hong Kong veterans has contributed to an increase in the estimate for pensions of approximately \$900,000 in the current year.

The increased estimate for hospital construction is attributable to the reconstruction of Ste. Anne de Bellevue hospital. I expect that tenders on this project will be called early this fall.

Generally speaking, the cost of hospital and medical services continues to rise because of improved and more elaborate methods of diagnosis and treatment, in addition to the general rise in prices experienced in all areas of the economy, while the need to increase the Veterans Land Act fund reflects the extremely high level of activity being experienced in that program.

I know, Mr. Chairman and gentlemen, that I need hardly add that every assistance will be extended to you by the departmental officials here this morning who will be presented to you later by the Deputy Minister. These officials and others will be present as and when required.

• (9:00 a.m.)

It now only remains for me to thank you for this opportunity to appear before the committee and to wish you every success and godspeed in your deliberations and say, of course, that any time that I may be required to answer questions before the Commit-

tee—provided I do not have any were royal visits to look after—I will be delighted to appear whenever I can. I am particularly pleased with your Subcommittee's recommendations to refer to the departmental report and I will certainly undertake to have that report referred to you immediately so that you can dispose of the estimates and still be free to examine any section of the department at a time when it is more suitable to you.

The Chairman: Thank you very much, Mr. Minister. Before I call for questions of a general nature to be put to you I wish to bring to the attention of the committee that we also have with us this morning Mr. Don Thompson and Mr. Herbert Hanmer of the Royal Canadian Legion. We are always very happy to have you attend our meetings. I hope you will appreciate that the Veterans Affairs Committee, as I said at the beginning, is one of the most effective committees of the House of Commons and is quite responsible in doing its work as far as veterans affairs are concerned.

At this stage, Mr. Minister, I think it might be wise, in case you have to refer to some of your officials for some of the replies, to perhaps call on the Deputy Minister to introduce the officials who are present.

Mr. Paul Pelle-tier (The Deputy Minister): Thank you, Mr. Chairman. In order to save time I will introduce, if I may, the heads of the various boards, commissions and directorates, who in turn when their items come up can introduce the officials who have accompanied them.

We have with us this morning Mr. Anderson, whom you all know, I think, The Chairman of the Canadian Pension Commission. Mr. Cromb, the chairman of the War Veterans Allowance Board. Dr. Ritchie, Director General of Treatment Services. Mr. A. D. McCracken, representing the director of Veterans Land Administration who is presently attending the biannual convention of the Ontario Provincial Command of the Royal Canadian Legion. Mr. C. S. T. Tubb, acting director general of Veterans Welfare Services; Mr. Walsh, director of Financial Management; Mr. Reynolds, director of Legal Services and Chief Pensions Advocate; and finally, Mr. Black, the Departmental Secretary.

Thank you, Mr. Chairman.

The Chairman: Thank you very much, Mr. Pelletier. The floor is open for questions. Mr. Herridge, Mr. Énard and Mr. Chatterton.

Mr. Herridge: When the Minister mentioned the reference of the departmental report to the committee to leave it open to discuss any aspects of departmental administration, I presume he also meant in order to hear from veterans organizations at an appropriate time?

Mr. Teillet: As I understand it—and this is a matter for the committee, of course, to decide—and as far as I am personally concerned, I believe that would be completely in order. I can only refer the report to you to give you an opportunity to deal with it. The committee is entirely free, of course, at its discretion—

Mr. Herridge: Mr. Chairman, I take it, then, you give your blessing to the committee's—

Mr. Teillet: I would be disappointed if they did not do that.

Mr. Herridge: Thank you.

The Chairman: Also, Mr. Herridge, a definite intention is mentioned in the sub-committee report which was adopted this morning.

(Translation)

The Chairman: Mr. Émard.

Mr. Émard: Mr. Minister, just a little while ago you said that you were soon going to offer tenders for construction of the hospital at St. Anne de Bellevue; can you tell us approximately when construction will start?

Mr. Teillet: Dr. Ritchie, you may be more familiar with that than I am.

Dr. K. S. Ritchie (Director General of Treatment Services): Yes. We should go to tender either late in September or early October. We hope that construction will start late this year or early next year.

Mr. Chatterton: Mr. Chairman, I have a number of questions which may be answered by the officials, but if they are not answered by the officials I will defer them until the next time the Minister comes before the committee. He has indicated that if invited he will come again.

Can the Minister say whether the departmental committee's report on the basis of establishing pension rates will be referred to this committee?

Mr. Teillet: That is a difficult question for me to answer at the moment. I think I would

be wise to defer a decision on that matter until I have the report in my hands. I do not know the nature of the report. It may be similar to the Woods' committee. I am sure you have that in mind as well. I think I will defer a decision until I have the report. I will then have to decide whether it would be wiser to propose legislation to parliament on the basis of the report, which could then be examined by the committee, or to refer the report directly. In any event, the report would be available to the committee. Whether I would refer it directly for study and recommendation is something which must wait until I have the report on hand before I can reach that conclusion.

Mr. Chatterton: But in due course that report will be made available?

Mr. Teillet: Oh, it will be available, yes.

Mr. Chatterton: Can the Minister say whether he or the department is now considering the possibility of removing the half acre minimum under the provisions of the Veterans Land Act?

Mr. Teillet: We have under consideration at the moment—and correct me if I am wrong—giving the director some measure of discretion within certain limits. The conclusion is not yet final on that.

We have no intention of reducing that minimum of half an acre. In special circumstances this is presently done in the case of certain pensioners who have disabilities, and so on, but we now have to do it by order in council. We hope that we can reach a formula that will give the director sufficient discretion to do this on his own without having to refer it to the governor in council. This is the area that we are now examining, but at the moment we have not reached a conclusion on that.

Mr. Chatterton: Can the Minister say that when the deadline under the Veterans Land Act for veterans to become qualified is reached, which shall be at the end of October of this year—

Mr. Teillet: No, 1968.

Mr. Chatterton: I am sorry, 1968. If by that time it is evident that there are many veterans who could not become qualified for various reasons, would the Minister consider extending that deadline?

Mr. Teillet: I would have to say that at this moment I have no intention of doing that, but

naturally I cannot commit a decision a year in advance.

Mr. Chatterton: Thank you, sir.

Mr. Martin (Timmins): With regard to the war veterans allowance, is there any estimate of how much this particular item is going to be reduced by virtue of elderly pensioners qualifying for the supplementary increase of the old age security? I will give you a specific example. I had a letter yesterday from an elderly pensioner who, by virtue of the fact that both he and his wife qualified for the initial \$30.00 a month, which meant a \$60.00 a month increase in their old age security, \$85.00 a month was cut from his war veterans allowance. The war veterans allowance was reduced from \$95.00 to \$10.00 a month. Is there any estimate of how much this is going to save on this particular item?

Mr. Teillet: I doubt if there will be any savings, but perhaps Mr. Cromb will deal with that.

Mr. W. T. Cromb (Chairman, War Veterans Allowance Board): Mr. Chairman, the guaranteed income supplement legislation has not been in effect very long, but our estimate is that there might be a saving of something like \$4 or \$5 million a year. We are now running at an annual liability of over \$105 million, but in our opinion from what we know now it would be around \$4 or \$5 million.

I would like to say something in regard to the case you mentioned where the recipients war veterans allowance was reduced. In such a case it is a matter of the veterans allowance year and he is allowed \$2,940 total maximum income, including the allowance, and if he received a retroactive award of guaranteed income supplement, then there might only be a certain margin left for the remainder of a month or so of his veterans allowance year, and at the end of the veterans allowance year he will go on and get the same income as he was getting before. He gets a war veterans allowance supplementation to the ceiling of \$245 a month.

Mr. Teillet: This figure surprises me somewhat. It was not our original estimate that there would be very, very few of our war veterans allowance recipients who would qualify for the supplementary estimate.

Mr. Cromb: Mr. Chairman, there were something like 55,000 old age security recipients who were eligible, and who were also

recipients of war veterans allowances. They were eligible to apply for the guaranteed income supplement. Quite a few thousand of them applied, and some hundreds discontinued it again when they realized there was no advantage.

Mr. Teillet: No advantage, yes.

Mr. Cromb: It is a little early for us to know exactly what the trend is, and the best we can come up with is that it will be about a \$4 or \$5 million saving on our annual liability of \$105 million.

Mr. Chatterton: A supplementary, Mr. Chairman. That figure will be substantially increased by 1970 when the old age security eligible age is reduced to 65. Is that not correct?

Mr. Cromb: Mr. Chairman, as the old age security eligibility age is decreased we will also, of course, have many other recipients coming on who are not eligible for old age security. We have a considerable number of veterans of World War II who are under age 60 but, because of incapacity or illness, they are medically declared unable to carry on in the labour market. There is quite a large number coming on war veterans allowances and they will more than offset the others.

The Chairman: Mr. Webb has a supplementary.

Mr. Webb: A supplementary, Colonel Cromb. Do you think it would be advisable to send out a directive, in the interests of the veterans, telling them not to apply for this supplement? We are getting many, many letters asking us what to do. Governments can change easily and legislation can change, and in the interests of the veterans I have advised anyone who has written to me not to apply.

Mr. Teillet: I believe this has been done. Would you explain, please, what has been done?

Mr. Cromb: Mr. Chairman, every recipient in that group was written to individually, I might say this group were all recipients of old age security and war veterans allowances—Each one received a letter which very clearly explained the situation to them. This letter was in their hands three or four days before the guaranteed income supplement booklet came out. In that letter they were advised that there would be no advantage in their applying unless their supplementation of war veterans allowances was less than \$30.00 a

month if they were single, or less than \$60.00 a month if they were married, where both husband and wife were receiving old age security. In those cases it was to their advantage to apply. In other cases it was not. They were advised to consult with their local district authority. In addition to that, I had a member of the board visit each district authority in December and January. The district authorities were thoroughly briefed and they are and were in a position to counsel them, and they can still counsel them very readily. The big thing is that before they apply recipients should consult with their district authority because in some cases it would be advantageous for them to apply.

Mr. Teillet: Mr. Cromb, I wonder if you would be kind enough—it might be helpful to the committee—to supply a copy of the letter that you sent out to the committee?

Mr. Cromb: Yes.

Mr. Chatterton: In the case where a war veterans allowance recipient becomes disqualified because of the receipt of the supplementary pension, is he advised that he retains his treatment entitlement?

Mr. Cromb: Yes, he is so advised.

Mr. Harley: Mr. Minister, the committee considered Dr. Richardson's report on the Hong Kong veterans and made certain recommendations to the department. I wish to ask you about the implementation of the recommendations that were made at that time.

Mr. Teillet: I will give you a general answer and then ask Mr. Anderson to perhaps supplement it. This was a report which was requested by the Canadian Pension Commission and when the report was received we then re-examined all the Hong Kong veterans. Incidentally, this did not require any changes in regulations at all; it was just a re-examination in the light of Dr. Richardson's report. I wonder if Mr. Anderson would perhaps explain what happened and the results of the implementation of this report?

Mr. T. D. Anderson (Chairman, Canadian Pension Commission): Mr. Chairman, as a result of the recommendations of the parliamentary committee all of the Hong Kong veterans were re-examined with the particular object in mind of ascertaining whether or not they were indeed properly assessed for their disabilities, particularly in light of the evidence which came out of the previous study

conducted by Dr. Richardson and the Pension Medical Examiners at the District Offices.

It was found that as a direct result of disabilities caused by beriberi and other distinctive factors which influenced this particular group of prisoners but not any other, these people were, in fact, not assessed as high as they should have been. As a result of that the vast majority of these people received increases in their assessments. I have some figures which I think will be of interest to you. This is material that I received from Dr. Richardson. Over 1200 of these people were examined. At the time of examination there were 100 who were in receipt of—No, I am sorry; I had better get the actual figures.

The Chairman: Gentlemen, while Mr. Anderson is looking through his papers I may say I have a copy of the letter addressed to the veterans concerning the supplement. May I have a motion to include this letter as an appendix to today's evidence?

Mr. Madill: I so move.

Mr. Harley: I second the motion.
Motion agreed to.

Mr. Herridge: May I suggest also, Mr. Chairman, a commendation to the Chairman of the Board for taking this prompt action to inform veterans.

Agreed.

Mr. Anderson: I have these figures now. The total number of survivors, as I stated to you briefly at a previous meeting of the Committee when this was being discussed, is 1276. Since that was reported and before the survey was completed, 22 had died, so this left 1254. There were four we could not locate at all, five who refused to be examined under any circumstances, and we are still dealing with five others whom we had some difficulty in locating, and so on. That makes a total of 14 on whose behalf the review has not yet been completed, leaving 1240 who were completely examined and whose claims were reviewed at that time.

At the time the survey began 100 of these people were receiving pensions at the rate of 100 per cent. We increased that number by 55 making a total of 155 now receiving pensions at the rate of 100 per cent. There were 395 receiving pensions at the rate of 48 per cent and higher and that has now been increased by 432 to 827. The average increase in the

assessment for those suffering from avitaminosis was 21 per cent and the average increase for those who were suffering from all disabilities was 21.9 per cent. There have been very substantial increases not only in the number receiving higher rates of pensions but in the rates of pensions themselves as a result of that survey.

One of the points which the Committee dealt with at that time resulted in the recommendation that all of these people be increased to at least 50 per cent. This, of course, was the recommendation that had previously been submitted by the Hong Kong veterans themselves. We found this was impractical to deal with. It was impossible to put into effect on this basis. Believe it or not, the health of some of these pensioners who are receiving very small pensions is not nearly as bad as others, and it would have meant giving that particular group something which was substantially in excess of anything that any other veteran was entitled to. I think it is generally conceded now that the arrangements which were made as a result of this survey have brought about an equitable situation for these people compared to other veterans who were prisoners during the second world war.

The Chairman: May I intervene? You said the Committee recommended that a number of these people should be increased to 50 per cent but our recommendation was not exactly in that sense. I believe we recommended that all those falling into the 35 to 48 per cent bracket be increased to 50 per cent and all those below 35 per cent get a 10 per cent increase automatically.

Mr. Anderson: Yes. That is correct. I am sorry. I should have gone into a little more detail on that.

The Chairman: Mr. Webb, do you still have a question?

Mr. Webb: While we are dealing with the Hong Kong veterans I might say that yesterday our previous chairman, Mr. Forgie, visited the House. I saw him in the gallery so I went up and spoke to him and asked him if there were anything that he thought should be brought to the attention of the Veterans Affairs Committee. He said the only thing is what is being done about the Hong Kong veterans. I assured him that action had been taken for the veterans and he was very pleased. The only other thing is that I noticed the Minister said that much of the increased cost of administration was due to drugs. I

would ask Dr. Ritchie what will be the saving, now that we expect the 12 per cent sales tax on drugs to be taken off very shortly.

Dr. K. S. Ritchie (Director General of Treatment Services): I suppose that is a fair question but I have noticed from TV and radio that anybody who has been involved in this has pretty well dodged the issue.

Mr. Harley: The answer is none, because you do not pay federal sales tax on drugs for hospital use.

Dr. Ritchie: No, but we are paying a number of outside druggists' accounts and there should be a reduction. However, I doubt very much that this reduction will keep pace with the increase in cost of drugs, so it is difficult to forecast any reduction.

Mr. Webb: Will the pharmacists increase their prices for drugs now?

Dr Ritchie: I could not say.

(Translation)

Mr. Chairman: Mr. Émard.

Mr. Émard: Mr. Chairman, now that the Government has authorized collective bargaining for public servants, I would like to know how far negotiations have progressed in the Department of Veterans Affairs. Have they begun...?

Mr. Teillet: No, I do not think so.

Mr. Émard: I have another question. You had two associations representing employees. If I am not mistaken, I think yours was the only department which had two associations representing the employees: you have the Civil Service Association and a veterans' or employees' association. I do not know the exact terminology. Have these two associations amalgamated or do you still have two associations representing your employees?

Mr. Teillet: My impression is that at the present time, all employees of the department, for bargaining purposes have associated. Would you mind explaining that, Mr. Pelletier?

Mr. Pelletier (Deputy-Minister of Veterans Affairs): In reply to Mr. Émard, I may say that there actually were three associations in the Department: there were the departmental association, there was the Civil Service Association of Canada and the Professional Institute since our department comprises a

great many professionals such as medical doctors. The first two I mentioned have amalgamated, so that now, it is true we are represented by two associations. The Public Service Alliance of Canada has the largest number of members, but there are also a certain number of our employees who belong to the Professional Institute of Canada.

Mr. Émard: What I wanted to know was whether the association included the manual labourers, in particular.

Mr. Pelletier: One only.

Mr. Cowan: Mr. Minister, I want to ask a question following on Mr. Chatterton's regarding the Veterans Settlement Act, that half-acre that is required. I understand that it was originally brought in to help in the settlement of soldiers in, you might say, outlying parts. I am the only Toronto member of this Committee and I have a number of people speaking to me about this half-acre requirement. I was at the National Capital Commission yesterday in the Gatineau Hills and I heard some complaints from General Clark about real estate developers wanting \$10,000 for a lot 100 feet by 140 feet in the Gatineau Park area. If they want \$10,000 for a lot in the Gatineau Park area you can imagine what land costs in Metropolitan Toronto. In answer to Mr. Chatterton you said that you had not yet removed the one-half acre of land requirement.

The people who are coming to me and who are very desirous of improving their housing conditions have been trying to use the Veterans Land Act to help them but they have employment in the Toronto Metropolitan area and want to be somewhere close to it. I do not like to mention Dr. Harley's name without speaking to him first but one of the persons concerned had been looking over some property in Georgetown, which is in Dr. Harley's riding, and that is quite a distance from Metropolitan Toronto. If you are considering removing the half-acre requirement can you not do it quickly because land values are rising in Metropolitan Toronto. The longer you consider it the higher the asking price goes. Several veterans who have been speaking to me would like to make a purchase in what you might call the agricultural part of Metropolitan Toronto. Up in our north-east and north-west corners they are still holding land. They say that they cannot touch it at the price of land in half acre lots. How soon

will a decision be made? Please do not tell me it is under serious consideration.

Mr. Teillet: No. I thought I had made myself quite clear. That has been considered and a decision taken. There is no question of removing the half-acre minimum.

Mr. Cowan: Then you went on to say that orders in council were being passed.

Mr. Teillet: In special circumstances, for instance a 50 per cent disabled veteran, we do make exceptions by order in council. We have heard of quite a number of these cases and rather than that we are doing now—I believe the submission has gone in—we are giving the Director a 20 per cent leeway at his discretion in special circumstances. But we did examine the question of the half-acre and we have decided we are not going to change that.

The Chairman: Mr. Webb has a supplementary and then Mr. Chatterton.

Mr. Cowan: May I continue with a direct question before the supplementary.

The Chairman: Yes, you may.

Mr. Cowan: Mr. Minister, if the veteran is 50 per cent disabled is it possible to have an order in council passed to remove this one-half acre requirement? Then you said you have given the Director a 20 per cent leeway.

Mr. Teillet: We have not. A submission is going in for that purpose but I do not believe it has been approved. I have been away for ten days.

Mr. A. D. McCracken (Director (Budget Administration) Veterans Land Act): The proposal which has now gone forward, Mr. Cowan, is that veterans who are considered by the medical officers of the Canadian Pension Commission to have a disability which is not pensionable but which is assessed at 50 per cent or more—in other words, if it had been a service disability he would be in receipt of a 50 per cent pension—in some circumstances now may be established on less than half an acre of land. It can go down to a city-sized lot. The veteran who is not in receipt of a 50 per cent or more disability pension but who has a disability that is considered to equate a 50 per cent or more disability pension will, in the proposal that has gone forward, also be able to be settled on a property of less than half an acre, down to a city-sized lot.

The other proposal that has gone forward is that in areas where land is costly and difficult to acquire—which means that it is in the urban areas—the Director be given a 20 per cent discretion vis-à-vis the half-acre, which would reduce the minimum to 17,424 square feet.

The Chairman: Would you permit a supplementary question?

Mr. Cowan: I have just one other comment. As the only member from Toronto on this Committee I want to tell you that I have not heard a single complaint about the Sunnybrook operation since the transfer and I want you to know it and I would like to make the statement publicly. I know a tremendous number of war veterans and war veterans organizations in Toronto and they certainly would be the most directly affected, although there are veterans coming in from all over Ontario, but I have not heard a single complaint from Toronto on treatment at Sunnybrook Hospital since the changeover.

The Chairman: I am sure the Minister is quite pleased with that remark.

Mr. Martin (Timmins): On that very point I might say that I have had such a complaint and it is from Mr. Cowan's riding.

Mr. Cowan: They probably know the way I defend the Liberal government and did not complain to me.

Mr. Webb: I should like to ask the Minister whether any consideration has been given permitting veterans who have purchased under the old acreage requirement to sell lots to other veterans, even veterans who have the half acre and are having difficulties. Has consideration been given to allowing them to sell a lot to other veterans only?

Mr. A. D. McCracken (Director, Budget Administration, Veterans' Land Act): At present, Mr. Webb, if a veteran has a property which is in excess of half an acre we will allow him to sell off any number of lots down to that minimum of half an acre. If he has already earned his conditional grant after ten years he can sell off below half an acre, either by selling the land and paying us off or converting to what we call a civilian purchase contract where the rate of interest is 5 per cent, and he can sell down to a city-size lot. This sale usually produces enough revenue to pay off the Director and the veteran gets title to the property. If the proposal to give the Di-

rector discretion to reduce the minimum by 20 per cent to 17,424 square feet is approved, we would be prepared to permit a veteran to sell off lots from his property down to that size.

Mr. Chatterton: I was going to reserve comment on this question until I heard the details of the new proposal but now that I have heard them I want to tell the Minister that I think the proposal is totally and absolutely inadequate and unacceptable. In the first place, Mr. McCracken knows very well the difficulties under the Veterans' Land Act at the time the minimum acreage required was two acres or three acres, depending on the value of the land. Under those provisions also the Director had the 20 per cent discretionary power to reduce the expensive land to 1.6 acres and the less expensive land to 2.4 acres. You are again going to involve the Director in this very troublesome question of using a discretionary power. It is very troublesome.

The next point is this: the new minimum, using discretionary power, will still be 17,424 square feet which is more than double—almost triple—the size of the average lot in urban areas. You are still not overcoming the problem of the high cost of land in urban areas because if the cost is too high for half an acre it is still far too high for 17,000 square feet. The average city-size lot is close to 6,000 square feet. You are still restricting the veteran to a lot three times the normal size of lots in urban areas.

Mr. Teillet: We are dealing here with the very principle of the Veterans' Land Act. We have considered this and have decided not to change the principle. This is a rehabilitation measure which is the reason we decided we should not change the principle of the Act. The Veterans' Land Act is not a housing corporation and the purpose of the discretion is to enable the Director to deal directly with matters which now require submission to the Governor in Council, which are numerous enough to be quite bothersome for him. They create a great deal of work for his department and his staff. This discretionary power is to allow him to deal directly with these matters rather than submit them to the Governor in Council. I believe that is accurate.

Mr. Chatterton: Mr. Minister I agree completely with that part of the provision which gives discretionary power to the Director rather than requiring an Order in Council.

That is common sense but my point still is that the only defence you have raised on behalf of the large lot is the question of principle.

Mr. Teillet: That is right.

Mr. Chatterton: If you can name any other point on which you can defend that position I will challenge you. That is the only point you can defend it on. The principle of the Veterans' Land Act originally was that it was a land settlement scheme. Originally the minimum was two acres of expensive land and three acres of less expensive land. That principle was abandoned completely.

Mr. Teillet: No, no; I cannot agree with you.

Mr. Chatterton: It was abandoned when the Department rightly reduced the size to half an acre because half an acre is of no use to anybody for part-time farming, which was the original intention of the Veterans' Land Act. So I say that principle has already been abandoned, and properly so. By limiting the size of the lot to 17,424 square feet, you are eliminating a great number of veterans who could use the beneficial advantages of the Veterans' Land Act. Furthermore, the question of taxation has not been raised. Municipal taxes are so high that the average veteran cannot afford to pay them on a lot of 17,424 square feet in an urban area.

I recognize, and I note what Mr. McCracken says, that this 20 per cent will be retroactive to those already established also and I realize that if the Minister removed the minimum half acre restriction today there will be a tremendous volume of work which I know the Veterans' Land Act staff could not handle if it includes those already established. My suggestion to the Director was to remove the half acre restriction completely. Let the municipality decide what is the proper size of land in certain areas. However, in view of the fact that the staff could not handle the volume of work if this were to be retroactive, initially the removal of this restriction would apply only to new settlements.

There is ample precedent for this because prior to 1960 any increased loans to the maximum amount under the VLA applied only to new settlements. That precedent was well established. At this time the Minister could say that in view of the tremendous increase in workload which the staff could not handle, the removal of the restriction will apply at present to new settlers only, because it would

be inadvisable to take on additional staff only to have to let them go in five or six years. So you could overcome that difficulty by making it applicable only to new settlements now and when your staff can handle the volume of work you could make it applicable to those already established.

Mr. Teillet: I can only assure you that this has been given very, very careful consideration and our conclusion in that it would be unwise to change the principle of the Act 20 years after the war. I do not agree with you, of course, that the principle has been changed. The decision has been made that we continue as is. I can assure you that very careful consideration was given to this before the decision was made and for the time being I must stand on that. You give me a very, very good argument. You are very persuasive. Unfortunately, after examination our conclusion was otherwise.

Mr. Chatterton: Before the deadline for new loans under the Veterans' Land Act is reached this restriction is going to have to be removed in any case, so you might as well do it now. Give yourself a few kudos.

Mr. Herridge: I just want to make a comment in fairness to the original concept of this Act. Mr. Chatterton says the principle has been abandoned completely. This is not quite correct from my experience. Of course, I represent a riding where the soil is very fertile but I know quite a number of veterans who have settled on small holdings—first the larger size, and now the half acre size—and who are supplementing their incomes with poultry, small fruit growing and other occupations which especially in the case of the older veterans they have found to be of great advantage.

Mr. Chatterton: I think this point is extremely well taken but may I point out that when you remove the restriction of half acre you still permit those who want more acreage to have more.

Mr. Teillet: Then we should have a housing act.

Mr. Webb: I should ask Mr. Herridge what income he gets from the one rooster he has.

Mr. Teillet: It is a fertile bird!

The Chairman: Are there any other questions?

Mr. Herridge: I might explain, Mr. Chairman, that rooster died 25 years before the Veterans' Land Act came into effect!

(Translation)

The Chairman: Mr. Énard?

Mr. Énard: One last question. Mr. Minister, does your department intend to make any changes or construct a new hospital at Queen Mary?

Mr. Teillet: At the present time, we are having talks with regard to Queen Mary. I cannot reply directly to the question at the present time. We intend to make certain changes and it is likely that we shall do something in this respect, but I do not believe that we have arrived at any final conclusion yet. I think a decision will have been made by the end of the summer.

Mr. Énard: But the decisions you would reach would not affect decisions which have already been made for St. Anne de Bellevue?

Mr. Teillet: No, no, in no way. The question of St. Anne de Bellevue is settled. We will reconstruct, replace the existing building and there is no question of changing that. If we do decide anything with regard to Queen Mary, the matter will be examined independently from the other situation, although, of course, there is a relationship between the two; but there is no question of abandoning the construction plans for St. Anne.

(English)

The Chairman: Since there are no other questions, on behalf of the members of the Committee, Mr. Minister, I wish to thank you for making yourself available to us this morning. I am sure the members were very happy to see you here and hope that you will come back at other times whenever you feel like it. We will carry on with our study of the estimates now and try to bring them back to the House as quickly as possible after thorough study.

Mr. Teillet: Thank you very much, Mr. Chairman and gentlemen. I will be available to you at any time if I am required.

The Chairman: As recommended by our subcommittee report adopted this morning we will now stand Item I and I will call Items 25 and 20 which are both on pensions. I invite Mr. Anderson to come forward and make any

comments he has. We will proceed with questioning immediately after.

20. Administration 3,212,000

25. Pensions for Disability and Death, including pensions granted under the authority of the Civilian Government Employees (War) Compensation Order, P.C. 45/8448 of November 22, 1944, which shall be subject to the Pension Act; Newfoundland Special Awards; Burial Grants; and Gallantry Awards (World War II and Special Force)

..... 198,979,000
202,191,000

Mr. T. D. Anderson (Chairman, Canadian Pension Commission): Mr. Chairman, I have no specific comments on these estimates except to say we are discovering as time goes on that while the number of claims we are now dealing with is reduced somewhat—even this reduction may well be only temporary—the problems we are encountering in dealing with these claims are becoming more and more difficult. It is perhaps not too difficult to realize that so many years after the second world war the responsibility and difficulties inherent in obtaining evidence in support of claims are growing constantly. Not only that, but we are dealing now with a fairly substantial number of permanent force claims, that is, on behalf of people who are being discharged from the permanent force. At times we have files in which the claims are for as many as ten or twelve conditions. We have to deal with all these conditions. The medical advisers must deal with these cases individually and must produce the evidence which is required in order for the Commission to make a decision. All of this takes a good deal of time. The point I wanted to make, and I think it is an important one, is that we may not be dealing with quite as large a number of claims as we were ten or fifteen years ago, but the claims are a good deal more difficult to process and the volume of work is a little bit more than it was then. The volume of our work has not reduced to any appreciable extent, even though the number of claims may have been reduced. Of course, the total number of pensioners in the past few years has decreased somewhat. With reference to World War I veterans, as we might expect, the number of pensioners has decreased quite sharply and consequently the annual liability with respect to the payment

of pensions has been reduced, although pensions have been increasing. That may sound a little complicated but it is a fact that the number of pensioners has been reduced, and this applies even in the case of World War II pensioners. Consequently, had pensions not been increased our annual liability would have gone down fairly substantially. Now, with the increase in the rates which has occurred from time to time the total annual liability has gradually increased over the years.

I do not think there is anything more that I want to say, Mr. Chairman, but if there are any questions with regard to any of the items in the estimates I will be glad to try to answer them.

Mr. Chatterton: Mr. Chairman, I have been getting, almost by the year—and certainly within the last three years—an increasing number of complaints from veterans respecting the delay in the adjudication of their cases. I realize this review of the Hong Kong pensions has placed a burden on your staff and on the Commission itself. We hope, of course, that the Woods Commission Report will provide a remedy. Can Mr. Anderson give us any idea of the length of time involved and the number of cases that have not been adjudicated upon?

Mr. Anderson: Yes, Mr. Chairman. As I have just pointed out to you, these claims are becoming more and more difficult to deal with as time goes on, and hence this delay. This is to some extent the reason for the delay. The average length of time required to process these claims is about four months. Of course, there are exceptions and these are the ones that cause difficulty and the ones about which you receive complaints.

In some cases special efforts have to be made to obtain evidence, and this causes delay. We also have claims which go to appeal and when the appeal is being heard it becomes evident that additional evidence is available somewhere or that a further medical examination should be conducted in order to add to the evidence which is already available and this causes a delay. We have to await the report from the examining doctors or the doctors to whom the individual has gone to obtain the evidence. I am now speaking of the exceptional cases. There are a fair number of these, perhaps a growing number, because of the difficulty in obtaining the necessary evidence to support them. However, the usual length of time required to deal with

the average case is about four months. I would like to assure the members of this committee that any delay which occurs in the adjudication of a claim is, in most instances, to the advantage of the applicant because what we are really doing is trying to find evidence to support his claim and the hold up is due almost entirely to that single factor.

I must confess there is the odd claim which gets lost or mislaid. This happens occasionally, as it does in any business where you handle the volume of work that we are handling at the Pension Commission. But by and large most of the delays on claims which are outstanding occur because we are trying to obtain further evidence to support the claim.

Mr. Chatterton: I know that in some areas a major part of the delay is simply caused by the volume of work with which the Pension Advocates and their staff have to contend. I realize that you will not make any major changes until the Woods Commission report has been filed, but I know that this delay in many cases is caused by overwork on the part of the Pension Advocates. Could I make the suggestion to Mr. Anderson that in cases where there are fairly long delays that the applicants could be so advised. In many instances I think merely a note saying that we have not forgotten their case would satisfy the veteran because he would know either the cause for the delay or realize that the Commission was still carrying out investigations.

Mr. Anderson: In most cases they are advised. Let us take, for example, the type of delay which occurs because we wish to seek new evidence following an appeal board hearing. Certainly the applicant is aware of that fact. He is told at the hearing that further evidence will be required. Perhaps his advocate has requested a stay of the hearing in order to obtain further evidence, so that he is well aware of it at that stage.

Where there is any exceptional delay we will either get a letter of complaint from the individual or a communication from the Legion or someone speaking on his behalf, in which case we advise them of the reason for the delay. In many cases they are advised regardless of the fact there is no complaint or a request.

This is a very difficult problem, particularly when you are dealing with the volume of claims which we are required to deal with annually. This is particularly true in the case of the existing claims that we are dealing

with today, when it is so long after the war. There is so much difficulty in digging up the answers. The problems are very numerous, I can assure you. This matter is a real problem.

Mr. Webb: Mr. Anderson, I have had a few cases where veterans have applied for pension and there either was no decision arrived at or, as Mr. Chatterton said, it could have been delayed. Also, and with all due respect to Dr. Harley, on investigating these cases I have found that the doctor's report to the department is different from what he has told the patient. He told the patient that he is in terrible health and to get after the Legion or his Member of Parliament to see about a pension. When we get the report back from the department it is really a different report altogether. I do not know how you can handle this. I have had several such cases and it really upsets the people. Take the case of a wife with a veteran husband sick in the hospital and the doctor tells her that her husband should be getting a pension, there is something wrong if he is not getting it, and then when the Pension Commission gets the decision of the doctor it is a different report altogether. I do not know if there is anything that can be done to overcome this situation, but it does upset a number of people.

Mr. Harley: If I may defend the medical profession, people often read into what the doctor has said that which they want to hear, and often what they think the doctor has told them is not what he said at all.

Mr. Webb: I did not want to infer, Dr. Harley, that it was you the politician who was looking for votes!

The Chairman: That was professional advice to the Committee. Thank you, Dr. Harley.

Mr. Webb: I do not know what can be done about it but there are such cases. I was wondering if this sometimes delays decisions. The Pension Board receives the doctor's report but the patient may have a conflicting report.

Mr. Anderson: Well, we always assume that the doctor tells the truth.

Mr. Cowan: Mr. Chairman, the last line of Vote 25 reads:

...and Gallantry Awards (World War II and Special Force).

I notice there is an increase forecast from \$27,000 to \$30,000 a year. Is this not an award that accompanies the award of medals or decorations, or is it an increase in pensions to people who have those medals? Is it because we are taking part in the Israeli war that we expect an increase in the gallantry awards this year?

Mr. Anderson: I rather think, Mr. Chairman, that this is a direct result of the introduction of special payment to the people who were awarded the George Cross. Is this not so? Yes I am advised it is. The other cause of the increase is that when an individual becomes entitled to war veterans allowance he receives a daily annuity if he is a holder of one of these decorations. This will cause the increase. It is twelve and a half cents a day.

Mr. Cowan: Twelve and a what?

Mr. Anderson: Twelve and a half cents a day is the rate they are paid.

Mr. Cowan: If we spend that kind of money there will not be any left for the CBC!

I was quite interested to hear your reference to the George Cross. I consider those people who have been awarded the George Cross in the highest possible regard. I understand there are only eight such people in Canada. I thought your first answer did not cover the subject, although I am certain your second answer does cover it, sir, even with squandering money at the rate of twelve and a half cents a day.

I would like to ask through the Chairman, sir, a further question. I notice the medal which the Prime Minister has announced is going to be handed out to Companions of the Order of Canada. I call it the "CooC" Order. Will gallantry awards accompany them? These medals take precedence over everything else but the Victoria Cross and the George Cross, even outranking military medals such as the Military Cross and the D.F.C. Will there be any gallantry awards with them as well at twelve and a half cents a day or less?

Mr. Anderson: As I understand it, Mr. Cowan—

The Chairman: Your question is not related to pensions.

Mr. Cowan: I am not talking about pensions. It is a gallantry award. Because this medal now takes precedence over everything

but the Victoria Cross and the George Medal, according to the original announcement, I thought it must be a gallantry award.

Mr. Anderson: The Canadian Pension Commission only pays monetary awards to those in receipt of certain specific gallantry awards and these are spelled out in the legislation. Unless they introduce a legislative measure to include these, they will not be otherwise included.

Mr. Cowan: There will not be any twelve and a half cents a day.

The Chairman: Are there any other questions, gentlemen?

Shall Items 25 and 20 carry?

Mr. Chatterton: Mr. Anderson, are you having difficulty in getting sufficient professional staff?

Mr. Anderson: We have been able to keep our professional staff up to strength and we have been able to obtain very excellent people. It has not always been easy. We have had difficulty in obtaining them at certain times, but the situation has not been hopeless. We have been able to keep our staff reasonably close to full strength. At the moment I believe our medical advisory staff is short one or two medical officers but we have competitions running and we are presently considering applicants. Although it has been difficult it has not been impossible.

Mr. MacRae: I wanted to ask Mr. Anderson about World War I pensions. Mr. Anderson, I take it there would be very few new World War I pensions going through at this particular time?

Mr. Anderson: There are still a number of applications from World War I veterans coming in regularly, Mr. MacRae. Strangely enough, we are still getting applications from World War I veterans for gunshot wounds. This is surprising but it is true. I assume these are World War I veterans who feel their disability has not been a serious handicap up to this point but they are now getting to the age where they feel they can perhaps use a little assistance and possibly their wound is beginning to affect their health more than it did previously. They are now applying for pension and it is being granted. There is no problem about it. It is almost automatic. If they apply, entitlement is granted. As I say, strangely enough we are receiving the odd

application from veterans with gunshot wounds.

Mr. MacRae: Thank you very much.

The Chairman: Mr. Herridge and then Mr. Madill.

Mr. Herridge: Is there any period of time now in which the pensions of second world war pensioners are considered permanent? What are the regulations in that respect?

Mr. Anderson: You are thinking in terms of the stabilization policy in effect for world war I pensioners, Mr. Herridge?

Mr. Herridge: Yes, that is correct.

Mr. Anderson: No. There is no firm stabilization policy with respect to world war II pensions as is the case with world war I pensions. Over the past few years we have been decreasing the number of examinations. That is, we do not call them in as frequently as we did. They are free to come at any time, if they wish, for examination and we can reassess them at that time. A few years ago we were calling them in at regular intervals, perhaps every two or three years, and reassessing them. We are not doing that any longer. The pension medical examiners have been instructed to review the files at regular intervals. When they find an individual pensioner whose pension condition may well have deteriorated since the last time they reviewed the file, then they will, in all probability, call him in and have him reassessed. But where there is a reasonably stable disability, not likely to deteriorate, some of these veterans have not been called in for many years now. This, in effect, is a form of stabilization which I think may be even more to the veterans' advantage than the regular stabilization policy we have been using with respect to world war I veterans.

Mr. Herridge: I have one more question. What is the present policy with respect to burial grants?

Mr. Anderson: There are two forms of burial grants. One is under the jurisdiction of the Department of Veterans Affairs and the other is our responsibility. But the Act, as you know, requires that a man shall not have left an estate sufficient to cover the cost of his burial before we can pay a grant. Actually, we try to be as generous as we can. For example, I suppose if we were to interpret the legislation strictly in accordance with the

wording we could not pay a burial grant if he left a house to his widow worth \$16,000 or \$17,000 because that represents a good deal more than his funeral expenses would be. But we do exempt the house. Also we exempt other money left to her up to the extent of \$5,000. I believe those are the only two exemptions.

Mr. Herridge: I am very pleased to hear that. How do you become acquainted with the deceased veteran's circumstances? Is an application required?

Mr. Anderson: When an application for a burial grant comes in, it must be completed in detail and these specific questions are asked in the application. Therefore, the information is there when the application comes in.

Mr. Madill: Mr. Chairman, my question relates to a few isolated cases where an applicant for a veterans pension qualifies for everything except the requirement for 365 days overseas. He is eliminated because he has had, perhaps, only 360 days. Is there any thought of dropping the requirement for one year's time overseas in a theatre of war?

Mr. Anderson: I think, sir, you are dealing with the War Veterans Allowance Act. This is outside my jurisdiction. Colonel Cromb could answer that.

Mr. Madill: That would come under pensions.

The Chairman: Shall items Nos. 20 and 25 carry?

Some hon. Members: Agreed.
Items 20 and 25 agreed to.

The Chairman: Thank you very much, Mr. Anderson. I am sure the members will be quite anxious to see you back with us when the Woods Report has been published and referred to us. Thank you very much.

Gentlemen, it is now 11 o'clock. We are losing our quorum and I think we should adjourn. Before we do so, I should like the members of the Steering Committee to stay for a minute. I have prepared a draft report on the trip we made to Europe last year and I would like to submit it for corrections or suggestions.

Mr. Chatterton: I wonder whether this is a good time to discuss this? Some of us have other committees at 11 o'clock.

The Chairman: It could be done later.

Mr. Chatterton: I, for one, have to go to another committee.

The Chairman: I can show it to those who are here and available. Could I have a motion to adjourn the meeting?

Mr. Harley: I so move.

Mr. Chatterton: I second the motion.
Motion agreed to.

W. T. CROMB,
Chairman

APPENDIX «B»

WAR VETERANS ALLOWANCE BOARD

COMMISSION DES
ALLOCATIONS AUX ANCIENS
COMBATTANTS

Ottawa 4, 9 January 1967

TO: Recipients of War Veterans Allowances
and Civilian War Allowances:Re: WAR VETERANS ALLOWANCES AND
THE GUARANTEED INCOME SUPPLE-
MENT

The purpose of this letter is to provide information on the Guaranteed Income Supplement and its relationship to War Veterans Allowances, for War Veteran Allowance recipients, who are also in receipt of Old Age Security Pension.

This letter also applies to recipients of Civilian War Allowances who are in receipt of Old Age Security Pension.

As you are aware, War Veterans Allowances rates and ceilings were increased effective Sept. 1, 1966. The monthly rate for single recipient is \$105 and for a married recipient the rate is \$175. The maximum total annual income (including the allowance) is now \$1,740 for a single recipient and \$2,940 for a married recipient. On a monthly basis the War Veterans Allowance income ceiling is \$145 for a single recipient and for a married recipient it is \$245. All War Veterans Allowance recipients, who are also in receipt of Old Age Security Pension, are at the maximum income ceiling permissible under the War Veterans Allowance Act.

As the Guaranteed Income Supplement has as its aim a guaranteed income of \$105 a

month, it should be noted that a single War Veterans Allowance recipient who is also in receipt of Old Age Security Pension, is now receiving an income of \$145 a month and a married recipient, who is also an Old Age Security pensioner, is receiving an income of \$245 a month.

This group of War Veterans Allowance recipients has the choice of qualifying for the Guaranteed Income Supplement or remaining on War Veterans Allowances. Under certain circumstances, it may benefit you to apply for the Guaranteed Income Supplement. For example, if you are a single Old Age Security pensioner and have other income in an amount that results in your War Veterans Allowance being less than \$30 a month, you may benefit financially. If you are a married recipient of Old Age Security Pension and your spouse is also in receipt of Old Age Security Pension, and you have other income that results in your War Veterans Allowance being less than \$60 a month, you may benefit financially.

As you will not be able to receive War Veterans Allowance and the Guaranteed Income Supplement at the same time, you are advised to consult your local District Authority, located in your nearest Department of Veterans Affairs office, as to which choice will be the more advantageous for you.

Should you decide to apply for the Guaranteed Income Supplement, you should at once advise your District Authority in order to avoid the possibility of incurring an overpayment under the War Veterans Allowance Act.

W. T. Cromb,
Chairman.

ANNEX - 1

WAR VETERANS ALLOWANCE BOARD
 COMMISSION DES
 ALLOCATIONS AUX ANCIENS
 COMBATTANTS

Volume 1 - January 1957

It should be noted that a single War Veterans Allowance recipient who is also in receipt of Old Age Security Pension is now entitled to income of \$145 a month and a married recipient who is also an Old Age Security recipient is receiving an income of \$245 a month.

The group of War Veterans Allowance recipients who are not qualifying for the Supplemental Allowance are those who are under 65 years of age and are not receiving Old Age Security Pension.

OFFICIAL REPORT OF MINUTES
 OF
 PROCEEDINGS AND EVIDENCE

This edition contains the English deliberations and/or a translation into English of the French.

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LÉON-J. RAYMOND,
The Clerk of the House.

HOUSE OF COMMONS

Second Session—Twenty-seventh Parliament

1967

NO

Tuesday, June 13, 1967

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: Mr. GÉRALD LANIEL

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

TUESDAY, JUNE 13, 1967

RESPECTING

The Main Estimates (1967-68) of the Department of Veterans Affairs

WITNESSES:

From the Department of Veterans Affairs: Mr. W. T. Cromb, Chairman, War Veterans Allowance Board; Mr. R. W. Pawley, Director General, Veterans Land Administration; Mr. A. D. McCracken, Director, (Budget Administration) V.L.A.; Mr. C. S. T. Tubb, Director, Social Welfare Services.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: Mr. Gérald Laniel

Vice-Chairman: Mr. Harry Harley

and

- | | | |
|-----------------|-----------------------|-----------------------------|
| Mr. Boulanger, | Mr. Herridge, | Mr. Morison, |
| Mr. Chatterton, | Mr. Kennedy, | Mr. Ormiston, |
| Mr. Clancy, | Mr. Latulippe, | Mr. Rock, |
| Mr. Cowan, | Mr. Legault, | Mr. Thomas |
| Mr. Deachman, | Mr. MacRae, | (Maisonneuve-
Rosemont), |
| Mr. Énard, | Mr. Madill, | Mr. Tolmie, |
| Mr. Fane, | Mr. Martin (Timmins), | Mr. Webb—(24). |
| Mr. Habel, | Mr. Matheson, | |

(Quorum 13)

D. E. Levesque,

Clerk of the Committee.

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Transmitted by the General Registrar
TUESDAY, JUNE 13, 1967

LEVESQUE, D. E.
The Clerk of the Committee.

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War Veterans Allowance Board; Mr. R. W. Bawley, Director General,
Veterans Land Administration; Mr. A. D. McCracken, Director,
(Budget Administration) V.L.A.; Mr. C. E. Tubb, Director, Social
Welfare Services.

HUGHES BURNHAM, INC.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

MINUTES OF PROCEEDINGS

TUESDAY, June 13, 1967.

The Standing Committee on Veterans Affairs met this day at 11.05 o'clock a.m. The Chairman, Mr. Laniel, presided.

Members present: Messrs. Boulanger, Chatterton, Cowan, Deachman, Émard, Fane, Habel, Harley, Herridge, Kennedy, Laniel, Latulippe, Legault, Morison, Thomas (*Maisonneuve-Rosemont*), Tolmie, Webb (17).

In attendance: From the Department of Veterans Affairs: Mr. F. T. Mace, Assistant Deputy Minister; Mr. C. F. Black, Departmental Secretary; Mr. W. T. Cromb, Chairman, War Veterans Allowance Board; Mr. W. G. H. Roaf, Deputy Chairman, War Veterans Allowance Board; Mr. P. Benoit, Executive Assistant, War Veterans Allowance Board; Dr. K. S. Ritchie, Director General, Treatment Services; Mr. R. W. Pawley, Director General, Veterans Land Administration; Mr. C. S. T. Tubb, Director, Social Welfare, Welfare Services; Mr. A. D. McCracken, Director (Budget Administration) Veterans Land Administration; Mr. L. T. Muirhead, Director of Budget, GTS.

The Chairman opened the meeting and asked the Committee to approve a Report of the Standing Committee on Veterans Affairs' trip to Europe in 1966. It was moved by Mr. Tolmie, seconded by Mr. Boulanger and *agreed*, that the said Report be appended to this day's Proceedings and Evidence. (*See appendix "C"*).

The Chairman called Items 5, 10 and 15, and the Committee resumed consideration of the Departmental Estimates.

After discussion, Items 5, 10 and 15 were carried.

Items 40, 45 and L115 were called and Mr. Pawley read a prepared statement.

Mr. Chatterton moved, seconded by Mr. Harley,

Agreed,—That the Statement and Graphs referred to by Mr. Pawley be appended to this day's Evidence. (*See appendix "D"*).

Items 40, 45 and L115 were severally considered and carried.

At 12.50 o'clock p.m., on motion of Mr. Harley, seconded by Mr. Legault, the Committee adjourned to Thursday, June 15, 1967.

D. E. Levesque,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

Tuesday, June 13, 1967.

• (11:08 a.m.)

The Chairman: Gentlemen, I see a quorum and I think we should proceed immediately.

Before we start on the estimates, I hope all members received a draft report on our trip to Europe last year. I hope all have read it and I will call for a motion to accept it. Following that, if there are any comments or suggestions of things to be added to the report, we will open discussion on it. Could I have a motion to accept this report and append it to today's evidence?

Mr. Tolmie: I so move.

Mr. Boulanger: I second the motion.

The Chairman: Are there any comments on the report? Would you prefer that I read it?

Some hon. Members: No.

The Chairman: Is the motion carried?

Motion agreed to.

The Chairman: We will now carry on with the study of the estimates. Next to me is Mr. Cromb and he has a short statement to make. Before you proceed Mr. Cromb could you introduce some of the people who will reply to questions on Welfare Services and Allowances. Do you have copies of the statement to distribute.

Mr. W. T. Cromb (Chairman, War Veterans Allowance Board): No, just for the Clerk.

The Chairman: I will now call upon Mr. Cromb, and then we will start questioning, mainly on War Veterans Allowances. I am calling the three votes on Welfare Services, Allowances and Other Benefits at the same time, which are votes 5, 10 and 15.

Department of Veterans Affairs
Welfare Services Allowances
and Other Benefits

5 Administration, including the expenses of the War Veterans Allowance Board \$6,452,400.

10 War Veterans Allowances, Civilian War Allowances and Assistance in accordance with the provisions of the Assistance Fund Regulations, \$115,721,000.

15 Other Benefits, including Education Assistance, Hospital Insurance Premiums or payments in lieu thereof re recipients of War Veterans Allowance and Civilian War Allowance, and repayments under subsection (3) of section 12 of the Veterans' Rehabilitation Act in such amounts as the Minister of Veterans Affairs determines, not exceeding the whole of amounts equivalent to the compensating adjustments or payments made under that Act, where the persons who made the compensating adjustments or payments received no benefits under the Veterans' Land Act, or where, having had financial assistance under the Veterans' Land Act, are deemed by the Minister on termination of their Veterans' Land Act contracts or agreements to have derived thereunder either no benefits or benefits that are less than the amounts of the compensating adjustments or payments, and grants as detailed in the Estimates, \$2,710,200.

Mr. Cromb: Mr. Chairman, before making a brief statement on the task of the War Veterans Allowance Board and the district authorities, I would ask your permission to table the material which I am having distributed now. It consists of a table showing the number of recipients of War Veterans Allowances by wars on strength as of March 31, 1967, with the annual liability, and also a similar table dealing with recipients of Civilian War Allowances.

I would like to make a brief statement on the task of the War Veterans Allowance Board and the District Authorities in the administration of the War Veterans Allowance Act and Part XI of the Civilian War Pensions and Allowances Act.

The purpose of the War Veterans Allowance Act is to provide allowances to those otherwise eligible veterans who by reason of age or infirmity are unable to make their way in the

employment field. The benefits of the War Veterans Allowance Act apply mutatis mutandis to Part XI of the Civilian War Pensions and Allowances Act for the assistance of certain groups of civilians who performed meritorious service in either World War I or World War II.

The War Veterans Allowance Board is a statutory body which reports to Parliament through the Minister of Veterans Affairs. Members of the Board are appointed by the Governor in Council. The Board is a quasi-judicial body and is independent insofar as its decisions are concerned. The Board is administratively co-ordinated with the Department of Veterans Affairs. This number with the many services required in the carrying out of the War Veterans Allowance programme.

There are 19 district authorities across Canada, established in the offices of the Department of Veterans Affairs. This number includes the Foreign Countries District Authority located in Ottawa. The members of district authorities are employees of the Department of Veterans Affairs and are appointed by the Minister with the approval of the Governor in Council, to adjudicate on matters arising under the Act in the regions in which they are appointed. It is to district authorities that applications must be made in the first instance.

The Board acts as an appeal court for recipients or applicants who may feel aggrieved at the decision of a district authority.

The Board exercises functional control over the district authorities and directs policy which makes for uniformity in adjudications across the country.

Effective September 1, 1966, the single rates and ceilings and the married rates and ceilings were increased. The single rate was raised from \$94 a month to \$105 and the single ceiling from \$133 to \$145 a month. The married rate was increased from \$161 a month to \$175 and the married ceiling from \$222 to \$245 a month. On an annual basis, the maximum total income (including the allowance) for a single recipient is now \$1740 and for a married recipient the maximum total income (including the allowance) is \$2940.

It is of interest to note that for the fourth successive year, the number of approved applications for veterans of World War I is less than the number of approved applications for veterans of World War II. This is a trend that will continue with the passage of time.

With me today is Mr. W. G. H. Roaf who was appointed Deputy Chairman of the War Veterans Allowance Board on 24 Dec. 66 to succeed Mr. Paul B. Cross who has retired.

We will do our very best to answer questions on the work of the Board and the District Authorities during your consideration of the estimates.

The Chairman: Thank you very much, Mr. Cromb.

You may now direct your questions to Mr. Cromb or anyone else Mr. Cromb feels might reply to them. I hope we will keep our questioning, for now at any rate, on the Veterans Allowances, then after that we can go into the Welfare Services, so that we will not lose much time going from one to the other, and the line of questioning will more or less follow up more closely.

Mr. Webb: What Items are we on now, Mr. Chairman?

The Chairman: Actually the three Items are open because there are some related questions that might come up, so we are on Items 5, 10 and 15, which cover the area of Welfare Services, Allowances and Other Benefits. But, because of the fact that Mr. Cromb just made a statement on Allowances, I would hope that we would start mainly on Allowances and then after that, cover the general scope of these three Items. Are there any questions?

Mr. Chatterton: Mr. Chairman, first of all I want to say I am all for the way the War Veterans Allowance Board operates. I have had many veterans compensated by the Board, with very few complaints. May I ask Mr. Cromb what the policy of the Board is with regard to recovery from a widow when she was not aware that her husband had had assets beyond what was permitted under the Act?

Mr. Cromb: Mr. Chairman, if the widow has not been a party to a deception, she is quite guiltless in that regard. We ask her if she would care to make repayment if her husband has incurred an overpayment deliberately, but if not, she will receive the allowance without reduction.

Mr. Chatterton: Do you try to recover from her the overpayment which had been made to her husband?

Mr. Cromb: Mr. Chairman if the widow has may have some sizable assets, and she may

wish to do so on behalf of her deceased husband. She is asked if she wishes to do so, but no pressure is put on her.

Mr. Chatterton: Does the Board have discretion in that matter, complete discretion?

Mr. Cromb: That is pretty well laid down. I do not think it is a discretionary measure. She is not a party to a fraud; therefore we could not collect from her.

Mr. Chatterton: In other words, if you are satisfied she was not a party to the fraud as you call it, then you would not normally require her to pay back the overpayment?

Mr. Cromb: That is correct.

Mr. Chatterton: May I ask if the decision of the Board depends to a very large extent on the assets that she might have inherited?

Mr. Cromb: Well, if she has assets, quite sizable assets, and it was drawn to her attention that her husband had created a debt, we ask her if she would care to make restitution on his behalf. That is all; she is just asked that. If she refuses, then nothing more occurs in that regard.

Mr. Chatterton: Thank you Mr. Cromb; I will quote your words to you when I submit a certain case to you.

The Chairman: Are there any other questions? I would like to ask all the members to try to speak into the microphones when they do speak, because Translation had quite a bit of trouble last Thursday trying to hear what was said. Mr. Kennedy?

Mr. Kennedy: Mr. Chairman, I have come across a case in the last three weeks which I pursued with the Department of National Defence, and I have had a reply. It involves a man who is now 30 years of age and who, during the war was a child, or course. He picked up a thunderflash within a few yards of his home which was left there by soldiers, and lost his right hand. That fellow is receiving \$27.00 quarterly or \$9.00 per month remuneration. I have just received a letter today that says that the legal authority has ruled he should never have had a pension, that it was illegal in the first place, but was a sort of gratis grant to him. He still gets it. It seems a small restitution. Is there anything under the Civilian War Pensions and Allowances Act that would permit investigation of this case?

Mr. Cromb: No, Mr. Chairman, not under either the War Veterans' Allowance Act or the Civilian War Pensions and Allowances Act. I do not know whether the Canadian Pension Commission could be brought into that or not. He has had no service. You say this man is 30?

Mr. Kennedy: About 30 years.

Mr. Cromb: No, I do not think that anything could be done under any of our legislation.

Mr. Kennedy: It seems unfortunate. Up until now he has been able to get employment. He is a truck driver. The ordinary regulation will not allow him to pursue this, and he is in a bit of a spot now with a family. It is a pretty small amount of compensation for a man losing an arm, but of course National Defence apparently just gave a gratuity and are still paying it. But they claim he has no legal status to get anything from them anyway. I do not know the circumstances, but according to the story there were two thunderflashes left behind by the troops, and he was exposed to one as a child.

Mr. Deachman: Sir, I notice that we are still carrying on the roll one veteran from the North-West Rebellion. I just wonder, as a matter of interest, what you can tell us about him. How old is this man, and do you know anything about him at all?

Mr. Cromb: It is true he is a veteran of the North West Field Force of the Rebellion, or campaign of 1885. He is over 100 years old, and I believe is in the veterans' hospital in London. That is all I know of him.

Mr. Deachman: Thank you very much, Mr. Cromb.

Mr. Cowan: Mr. Chairman, on that same report which Mr. Deachman is referring to, I notice that under the heading of World War I we have 67 orphans. Well, World War I was 49 years ago. They would be rather middle-aged orphans by now. Can you give us any description? Are they incapacitated physically or mentally that they are being looked after by war veterans' allowance, or what?

Mr. Cromb: No, I do not think so, Mr. Cowan. There are some World War I veterans who are fairly vigorous and have remarried. We have a number of cases of fairly senior World War I veterans with children.

Mr. Cowan: At what age do you stop calling them orphans?

Mr. Cromb: Twenty-one years of age.

Mr. Cowan: That would be sixty seven people under 21 in your records, that is?

Mr. Cromb: That is right.

Mr. Cowan: You do not think a wife would be practising deceit? On a war veteran, I mean.

Mr. Cromb: That is a little outside the scope of our legislation.

Mr. Cowan: Well, Mr. Chatterton was asking about a wife who had done something.

• (10:25 a.m.)

Mr. Harley: I think we had a conversation on the telephone a little while ago about this, but I wanted to ask about some of the burial assistance that is given to widows whose husbands die while on war veterans' allowance. I understand that this assistance is available only if the person who draws the war veterans' allowance actually dies while in hospital.

Mr. Cromb: That is a matter, Mr. Chairman, that would come under another branch of the Department.

Mr. Legault: Mr. Chairman, I would like to ask Mr. Cromb a question to enlighten me as to the particular case that I do have where war veterans' allowance was given to a veteran. It so happened that the parents of the wife, who were from the Netherlands, had forwarded money after 20 years so that the couple could go out to visit. This had not been declared, and pending usage of it for the purpose for which it was intended, the husband died, and immediately the widow was cut off the allowance. She had to use part of that money, with permission from her parents, to cover the funeral expenses. But the decision of the Board was to cut her off the allowance immediately. She was advised that if it was for that purpose; to use it as such, which she did. And on return now, the conditions imposed upon this widow are entirely different and are not based on the amount of money which she did hold, which had cancelled her allowance, but on her physical condition. The lady in question must be approximately 58 or 60 years of age. But there is no consideration whatsoever. I find it hard to accept that a woman of that age should try to qualify herself for some type of employment, and not be

considered at all for the allowance which they were seeking prior to the death of her husband.

Mr. Cromb: Well, Mr. Chairman, the age for qualification is 55 years for a widow or a female veteran. So, as far as age is concerned, if she is 55 she would be quite eligible. Also, if she is medically unfit for employment she can qualify at a much earlier age than 55.

Now, so far as the financial part is concerned—and I am familiar with the case—the Act is quite specific in the amount of personal property that the recipient may have. The personal property permitted at the married rate—in her case she has children—is \$2,500. When she reduces her personal property, which she is permitted to do, at the rate of \$250 a month, she can qualify when her personal property is reduced to a level of \$2,500. But so far as her age is concerned, she would not have to have a medical examination at all if she is over 55.

Mr. Herridge: Mr. Chairman, I just want to say, or repeat, what my colleague opposite said; the work of the Board is appreciated. I find more and more that veterans understand the regulations in that. I think, on the whole, in a great number of cases, anything that has happened as against the law in the regulations is the result of a lapse of memory of a misunderstanding. I found very few cases where I thought the veteran should have known better. But I want to say that in our district they appreciate very much the visits of the officials of the Department to the more outlying areas. At one time they would go to Trail and Nelson; now they visit Kaslo at the cusp, and it saves a lot of these older veterans or widows having to travel, in some cases, 150 miles unnecessarily.

I would like to ask Colonel Cromb what the response is to the letter he sent out informing all veterans of the relationship between old age security and war veterans' allowance.

Mr. Cromb: Mr. Chairman, it was, I think, by and large remarkably good when you consider that it was written to approximately 57,000 recipients of war veterans' allowances who were also in receipt of old age security pension. It is true some of them did not follow the advice contained in the letter, but in the main it was, I think, extremely successful.

Mr. Herridge: I might mention, Mr. Chairman, that I have had two or three letters in which they expressed their appreciation of

being informed in detail of the law and the regulations, and the relationship between the two Acts.

Mr. Cromb: Thank you very much.

Mr. Chatterton: I was going to say, Mr. Chairman, that I have read a great number of letters complaining very bitterly about the war veterans' allowance being reduced if they do not receive the guaranteed minimum income supplement.

Now, may I ask, Mr. Chairman, in your letter to Colonel Cromb . . .

• (11:30 a.m.)

Let us assume that the annual income of 2,940 paid to a married couple is a reasonable figure. Would you still consider it to be so in cases where such a couple has four young, dependant children?

Mr. Cromb: Mr. Chairman, children do not come under the War Veterans Allowance Act. It is designed for veterans, widows and orphans. Orphans are children, but they are recipients in their own right. Any income which is received on behalf of children, such as family allowance or social assistance, is completely exempted by the War Veterans' Allowance legislation if it is earmarked for the children. No moneys that are for the children are considered in assessing the amount of money that the recipients are permitted. That is, the \$2,940 is the maximum permissible annual income, but in addition to that there is a complete exemption of \$900 in casual earnings.

Mr. Chatterton: Perhaps I did not put my question very clearly. Assuming that \$2,940 plus the \$900 in casual earnings are considered to be a reasonable amount for a married couple would you still say it was a reasonable maximum income for such a couple with four young, dependent children?

Mr. Cromb: Mr. Chairman, the children of war veterans' allowance recipients are entitled to, and enjoy, the full scope of the social legislation for assistance to children, free from any assessment by the War Veterans Allowance Board.

Mr. Chatterton: Surely a married couple with four children requires a greater total income than does a married couple without dependant children. My point is that assuming an income of \$2,940 plus the \$900 in casual earnings is reasonable, then, in my opinion,

there should be amendments to the act permitting a greater total income for each dependant child. This would apply only to those who receive the allowance because they are unemployable.

I note that the Assistance Fund is not your direct responsibility, but it is so totally inadequate that it becomes even more important that the maximum permissible income be raised in the case of the recipient who has dependant children. This would not cost the government any more money. It would simply permit such a couple to earn a larger total income to maintain their children.

Mr. Cromb: Mr. Chairman, the income of a married recipient in such a situation is dovetailed with the social assistance of the provinces. For instance, the province of Ontario has a maximum monthly income of something like \$300 for a family group. They also have other things, such as aid to the children. We would be paying that veteran and his wife the married rate and exempting completely what they would receive, payments to the children on a family group basis, from the province of Ontario, or from any other province.

Mr. Chatterton: Mr. Chairman, there are other provinces, such as British Columbia where the maximum income of \$2,940 precludes assistance to the children under provincial legislation. If where there are dependant children the Federal Government were merely to raise the maximum permissible income by, say, \$200, \$300 or \$400 for each dependant child it would be a more equitable arrangement.

Mr. Deachman: May I ask a supplementary question? If you did this would it not follow that provincial and municipal social assistance services would withdraw their funds? There would be no net gain to the recipient but simply a transfer of payment from one level of government to the other.

Mr. Cromb: I think, Mr. Chairman, that is essentially what would occur.

Mr. Chatterton: In British Columbia the dependant children of a couple earning this maximum income are disqualified from receiving provincial assistance. If you raise the maximum permissible income that family will be allowed to earn more money. It will not cost the government anything because they do not get any assistance from the provincial government in any case.

I would like to ask a question, Mr. Chairman, on Item 5, on the Corps of Commissionaires Services. Can Mr. Cromb explain that to us?

Mr. Cromb: No, that does not come under my jurisdiction.

The Chairman: Perhaps at this stage we could open up the scope of questioning and include Welfare Services. We have Mr. Tubb, Chief of the Social Welfare Division, with us today. Could you reply to any questions from there Mr. Tubb?

Mr. C. S. T. Tubb (Chief Social Welfare Division): Yes.

The Chairman: Do you have any special comments to make?

Mr. Tubb: No, I do not, Mr. Chairman.

If I may, I would like to introduce Mr. Bob Wood, Chief of Budget Administration, who was formerly District Administrator in Regina until about a year ago.

The Chairman: Mr. Webb, do you have a question?

Mr. Webb: I have a question relating to veterans' assets. I do not know how many there are, but there have been cases where veterans have laid aside a definite amount of money for their burial. Some even have receipts from funeral directors. I understand from the Department that this is counted as an asset. However, if these people had spent this money the Department would possibly have been required to assist them with their burial expenses.

Mr. Cromb: Mr. Chairman, each married recipient is allowed \$2,500 cash in the bank and is still eligible to qualify. In the case of a single recipient the amount is \$1,250. A recipient is also entitled to treatment and this can be ascertained through Dr. Ritchie when you are discussing his particular vote. We have known of cases where, in order to reduce his personal property to \$2,500, an applicant has expended something on a pre-paid burial. We do not consider this a proper expenditure of money.

Mr. Webb: Mr. Cromb, if these people dispose of their money and it falls back on the Department to undertake their burial expenses I do not really see the point.

Mr. Cromb: I am wandering into someone else's territory, perhaps, but there is the Last Post Fund which is also available to veterans.

The Chairman: Are there any other questions?

Mr. Chatterton: Mr. Chairman, may I ask a question of Mr. Tubb? Could he give us an explanation of the \$37,000 for the Corps of Commissionaires Services? Is this a contract under which they perform services for you?

Mr. Tubb: This is the purchase of commissionaires' services at, I think, seven of our district offices.

Mr. Chatterton: Mr. Tubb what is the maximum monthly allowance under the Assistance Fund?

Mr. Tubb: Permissible?

Mr. Chatterton: Yes.

Mr. Tubb: The maximum amount that a married recipient can receive is \$840 a year. This has increased from \$360 a year in 1964, consequent on the amendments to the ceilings.

Mr. Chatterton: Am I correct that the allowance under the Assistance Fund combined with the allowance under the War Veteran's Allowance Act must not exceed the maximum permissible income?

Mr. Tubb: That is correct.

Mr. Chatterton: Does that \$840 apply regardless of the number of dependants? It is not made on the basis of so much per dependant?

• (11:40 a.m.)

Mr. Tubb: When we calculate need, Mr. Chatterton, we take into account the food needs of dependant children. There is no other calculation concerning children when we are dealing with a monthly supplement. If we are dealing with a need for emergency assistance then one of the items for which we can provide is the care of children, and this might include textbooks, travelling costs to school and things of that nature, as well as clothing.

Mr. Chatterton: The maximum allowance can never exceed the \$70 per month?

Mr. Tubb: That is correct.

Mr. Chatterton: May I just say that I think the increase from \$360 to \$840 was a good move, but I still think that the point was missed in that the amount allowable should be based on the number of dependent children. It would be more equitable if the amount of the allowances was based partially on the number of dependant children. Regardless of whether

a couple have two or six children, the maximum they can receive is still \$840 a year.

Mr. Tubb: Yes. Perhaps you might be interested in this comment. In 1964 we were meeting the established needs of slightly over 50 per cent of the married recipients. We are now meeting the established needs of about 80 per cent.

Mr. Chatterton: May I ask for a definition of "established needs"?

Mr. Tubb: The establishment of need is based on a formula which takes into account the actual cost of shelter, verified to the satisfaction of the district authority—rent, taxes, fuel, light, water and so forth; a food allowance based on the Canada Food Guide, which is up-dated periodically as far as increasing it is concerned; and clothing and personal care. These two latter amounts are arbitrarily set, but perhaps I should point out that they all compare quite favourably with the Toronto Welfare Council provisions for the same items.

• (11:45 a.m.)

Mr. Chatterton: I should just like to say that I think the officers of the Department of Welfare administer this fund in a humane and generous manner. I think the fault lies mainly in expecting a couple with four dependent children to live on \$270 a month. The fault is more with the legislation than with the administration of the Act.

Mr. Boulanger: Sometimes we receive complaints that when you have a special case to study there is too much delay in giving an answer. This is about the only complaint we hear. Is it because your staff is too small to handle the enquiries? Why do people complain that it takes three months for an answer which should take two weeks? Can you explain this? This is the chief complaint I have received so far.

Mr. Tubb: It is very difficult to say, in the thousands of cases we deal with, what are the typical causes for delay. Certainly there are delays and sometimes longer delays than we would like to see, but perhaps I could identify a few instances that might cause delay.

There is a need, perhaps, to co-ordinate our actions with provincial or local authorities or service benevolent funds. Sometimes the questions that are raised are relatively obscure and require a fair amount of clarification and verification on the ground. But, cer-

tainly, a three month delay is something that we would look upon with abhorrence and if you run into these delays we would be pleased to have them drawn to our attention.

Mr. Boulanger: So, it is not you alone that is involved. Sometimes you have to consult others. But I have been told this many times; I have heard that complaint often.

Mr. Tubb: So far as the staffing is concerned, the rhythm of our work has a peak in the spring and a peak in the fall. It is relatively quiet in the summer and in the winter except for last winter when, of course, we had the amendments for the war veterans' allowance and GIS and so on. But we do not staff for peak periods and probably it would be wrong if we tried to do so. So it might be an association with the time of year where a case that at another time of the year might be dealt with in a short time would take a little longer.

May I add just one other point? Sometimes the matter of service qualifications enters into this. When you are dealing with the Imperials, for example and the birth records at the Admiralty, it becomes quite a project.

Mr. Boulanger: But when you receive complaints do you explain to the people the reason for the delay? Anyway, I am satisfied with your explanation.

Mr. Chatterton: This question might be construed as involving the Veterans' Land Act which we have dealt with.

The Chairman: No, we have not dealt with it yet. It is coming after this Vote.

Mr. Chatterton: This might be an appropriate time to ask it because it does involve the War Veterans' Allowance Act also. My question is this and perhaps Mr. Pawley can answer it. Has the legislation changed to permit a recipient of the war veterans' allowance to receive Veterans' Land Act benefits? Does that still apply?

Mr. Cromb: Mr. Chairman, do I understand that you are asking whether a war veterans' allowance recipient may apply for the Veteran's Land Act? Yes. There is nothing in the WVA Act against that.

Mr. Chatterton: Can I take it, then, that the receipt of the war veterans' allowance does not disqualify from benefits under the Veterans' Land Act?

Mr. Cromb: In the War Veterans' Allowance Act we have authority to administer the allowances with the permission of the settler to pay the Veterans' Land Act in order to protect his home. So far as a WVA recipient qualifying for the Veterans' Land Act is concerned, this is a financial matter which would have to be dealt with by the Veterans' Land Act people.

Mr. Chatterton: Perhaps Mr. Pawley would have a comment on that?

Mr. Pawley: Mr. Chairman, if a veteran receives war veterans' allowance, while he may apply and possibly be qualified under the Veterans' Land Act, he cannot be established when receiving the allowance. However, if the veteran was established under the Act and ultimately, for some reason or other, was in receipt of war veterans' allowance then, of course, the allowance is continued and no distinction is made.

The reason for this is that in the War Veterans' Allowance Act there is provision to permit payments monthly from the allowance but there is no provision to establish a veteran if he is already in receipt of war veterans' allowance. Our Act is for the rehabilitation of the veterans and the War Veterans' Allowance Act is really for the benefit of the burnt-out veteran, and it seems incompatible to us to give a person the advantage of the two Acts.

Mr. Chatterton: May I ask whether the preclusion of war veterans' allowance recipients from future establishment under the Veterans' Land Act is governed by regulation?

Mr. Pawley: It has been a basic policy since about 1945 that a veteran receiving war veterans' allowance cannot be established under the Veterans' Land Act. One of the prime reasons is that in our legislation a man must have a permanent job. I do not believe you can construe a war veterans' allowance as income from a permanent job. Mind you, this has been an age-old problem.

There is another aspect. Under the Veterans' Land Act, the minimum acreage and other concepts of the Act require the person normally to be established outside cities and probably outside suburban areas. I think it is generally agreed that recipients of war veterans' allowance should be close to means of transportation and other amenities which permit them to live a little better life and not be somewhat isolated in rural or semirural areas.

Mr. Chatterton: Mr. Chairman, I hope the members will not think I am joking when I explain this totally anomalous position. Where a veteran is established under the Veterans' Land Act he can become eligible for war veterans' allowance either by becoming 60 years of age with the necessary eligibility, or by way of being unemployable. In other words, he can get benefits under the Veterans' Land Act and then subsequently obtain benefits under the War Veterans' Allowance Act. But if he receives war veterans' allowance benefits first, then he cannot qualify under the Veterans' Land Act.

I am not blaming the War Veterans Allowance Board, incidentally, and I am not blaming the officials of the Veterans' Land Act either. It is this policy which has been a long standing anomaly and Mr. Pawley's description of the intent of a veteran living on land, for instance, that he must be able to handle a certain acreage.

At the last meeting we heard that a new Order in Council is being submitted which will allow the Director to decrease the acreage where the veteran has a disability, whether it is attributable to war service or not. That discretion could be granted to the Director so that argument does not apply.

Furthermore, I must point out that in many cases, particularly in the case of a veteran who receives war veterans' allowance because of unemployability, quite often he might be a young man, perhaps 35 years of age, and have four young children. If he could receive the benefits of the Veterans' Land Act to reduce his monthly rental payments, he would be in a better position to maintain his family.

If the Veterans' Land Act considers that a couple having an income of \$270 a month is not enough, then I think there is something wrong. I think it is about time this anomaly should be rectified. The same applies to an elderly couple in receipt of war veterans' allowance and maximum permissible income of \$270. They should be encouraged to use the Veterans' Land Act to reduce their rental payments and have their own place where they can have a garden and keep a few chickens. But now, as soon as a man receives war veterans' allowance benefits, he cannot qualify for benefits under the Veterans' Land Act.

The Chairman: Mr. Cromb do you have a further comment to make?

Mr. Cromb: No.

Mr. Kennedy: Mr. Chairman, I am looking at page 576. Although the overall totals re-

main fairly constant, that is the amount for last year in comparison to this year, look at line 11, Office Stationery, Supplies, Equipment and Furnishings. Last year \$70,000 was provided and this year \$121,000 is provided. Then the same item is on page 577, line No. 11, and the increase is from \$5,000 to \$10,000. Is there any explanation for this? Is it a complete overhaul of equipment or offices or what does it mean?

Mr. Tubb: The explanation is that about one-third of the typewriters in the Department are over 20 years of age and we are embarked on a planned replacement program for them. In addition to that, at the direction of Treasury Board, we have included an item of \$40,000 for furniture and furnishings which has not previously appeared. This is in accordance with the Glassco Commission Report, I suppose. It was provided by the Department of Public Works in former years.

Mr. Kennedy: Thank you very much.

The Chairman: Are there any other questions on Items 5, 10 and 15? Shall these Items carry?

Some hon. Members: Agreed.

Items 5, 10 and 15 agreed to.

The Chairman: Thank you very much, Mr. Cromb and Mr. Tubb. I will now invite Mr. Pawley and Mr. McCracken to reply to your questioning.

I now call Items 40 and 45 on Soldier Settlement and Veterans' Land Act along with Item L115 at page 594 on Loans, Investments and Advances concerning the Soldier Settlement and Veterans' Land Act.

40. Administration of Veterans' Land Act; Soldier Settlement and British Family Settlement; 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; and 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, \$5,338,600.

45. Grants to veterans settled on Provincial Lands in accordance with agreements with Provincial Governments under section 38 of the Veterans' Land Act, grants to veterans settled on Dominion Lands in accordance with an agreement with the Minister of Indian Affairs and Northern Development under section 38 of the Veterans' Land Act and grants to Indian veterans settled on Indian Reserve Lands under section 39 of the Veterans' Land Act \$130,000.

(S) Provision for reserve for conditional benefits, Veterans' Land Act, \$3,508,000.

VETERANS AFFAIRS

Soldier Settlement and Veterans' Land Act

L115. To increase to \$530,000,000 the amount that may be charged at any one time to the Veterans' Land Act Fund established by section 5A of the Veterans' Land Act, for the purposes of Parts 1, II and III of that Act except sections 38, 39 and 56 thereof—additional amount required, \$150,000,000.

The Chairman: We will start with a comment from Mr. Pawley and then carry on with the questioning on these three Items.

Mr. Pawley: Mr. Chairman, I have prepared a brief statement outlining salient points of VLA operations during 1966-67, including graphs similar to those made available to the members of the Committee last year, and of what our business forecasts are for the current fiscal year. I have copies of this statement with me and, if you agree, they could be distributed at this time.

Mr. Chatterton: I move that this statement become part of today's Proceedings.

Mr. Harley: I second the motion.
Motion agreed to.

Mr. Pawley: (See Appendix "D")

The Chairman: Thank you, Mr. Pawley.

Mr. Chatterton: Mr. Chairman, may I ask Mr. Pawley a question regarding the graph at Appendix I, the Number of Loan Approvals? Is the increase of 38 per cent for new loans, or for new and additional loans?

This is total loans made to farms, small holdings, new farms, and new small holdings.

Mr. Chatterton: Including additional?

• (12:07 p.m.)

Mr. Pawley: Yes.

Mr. Chatterton: Mr. Chairman, may I make the general comment that I think it is rather an exceptional achievement for the staff of the Veterans' Land Act Branch to have handled this tremendous increase in the volume of business. To my knowledge, there has been very little, if any, decline in efficiency and only a very small increase in costs. I think it is a remarkable achievement.

The Veterans' Land Act Branch from my observations is, as usual, one of the most efficient of all departments.

At the last meeting I was very critical of the Minister's refusing to remove the restrictions on the half acre and I will not go into that again. I realize the Director would be rather apprehensive that such a change might increase even more the volume of work for his staff. I am glad to see that the Director is going to have to take on more staff because there have been some unavoidable delays due to the volume of business.

May I ask the Director about the administration of the off-reserve housing program? Are the standards of CMHC going to be adhered to?

Mr. Pawley: Do you mean in new house construction?

Mr. Chatterton: Yes.

Mr. Pawley: Yes, they will in both cases; in new house construction as well as the advancing of mortgage funds for the purchase of existing houses. As an agent of CMHC, I will be responsible to make sure that they are.

Mr. Chatterton: The requirements and the standards of CMHC will have to be maintained?

Mr. Pawley: That is correct.

Mr. Chatterton: I think it is rather commendable for the Director to have taken on this additional burden. I do not think a staff of any other government department is more capable of handling this off-reserve housing project.

Mr. Boulanger: There is something I would like to ask with respect to our veterans from the Province of Quebec. It seems that they do not take advantage of this Veterans' Land Act. Is it because they know less about it, because it seems they do not take as much

interest as others. Do they not receive as much publicity about it in Quebec, because it seems to me they do not take advantage of it.

Mr. Pawley: There are several reasons, I think, sir. As far as general knowledge of the Act is concerned I think it is equally well known in Quebec as in other provinces.

We have found that the relationship between the number of loans or establishments made in given provinces is fairly comparable to the veteran population and it is not too inconsistent so far as Quebec is concerned. There is other favourable legislation in the Province of Quebec. For example, the farm loans provisions are at a very favourable rate of interest. As a matter of fact, I think I could safely say that their farm loan legislation is just as good as ours from the point of view of financial benefit to the farmer. Under the housing program there is an interest rebate.

Mr. Boulanger: You mean a provincial rebate?

Mr. Pawley: Yes, a provincial interest rebate for a person owning his house. I think this had quite an effect on the volume of business in the Province of Quebec.

Mr. Boulanger: It is not because we do not tell them about it?

Mr. Pawley: I am positive that is not the case, sir. To the extent that governments do advertise we try our best to advertise equally in the Province of Quebec and in other places.

Mr. Boulanger: Thank you.

Mr. Herridge: Mr. Chairman, first of all I want to compliment the Director and his staff for the work they have done during the past year. Also I want to thank the Director for his very informative and comprehensive report on that work.

Those of us who have been here for 22 years or more know that the Farm Credit Corporation administration and experience is based on the experience obtained in the administration of the Veterans' Land Act and the Soldier Settlement Act and I think it was a good thing it was accepted in that way.

Mr. Chairman, I have one or two questions which are more or less parochial. There are quite a number of veterans holding land under the Veterans' Land Act who are affected by developments on the Columbia River under the Columbia River Treaty. Could the Director tell us how many veterans have been affected by this treaty to date, how many

settlements have been made that were satisfactory to the veterans and how many settlements are still undecided?

Mr. Pawley: In order to answer this question as precisely as you have asked it, I will turn it over to Mr. McCracken who has had two years' experience working in British Columbia and who, I am sure, has the answers down pat for you.

Mr. A. D. McCracken (Director (Budget Administration) Veterans Land Administration): Mr. Chairman, as of today 17 veterans who were under the Veterans' Land Act and who had an active agreement—they had not yet taken title to their property—have settled with the British Columbia Hydro and Power Authority. Two of the veterans who, I believe, have settled had taken title to their property beforehand. These are the ones we happen to know of. There are four veterans who are still under VLA who have not yet settled with the British Columbia Hydro and Power Authority.

• (12:15 p.m.)

The Chairman: Does that answer your question, Mr. Herridge?

Mr. Herridge: So far. Would the witness mind informing the Committee of the method of appraisal of veterans' property by the Department—the value of veterans' property.

Mr. Pawley: I want to make sure that I understand this question, Mr. Chairman. Are you asking what method of appraisal we use to establish the amount of compensation on behalf of the veterans?

Mr. Herridge: Yes; how you proceed to value the land, its location, the buildings and the disturbance occasioned by the veteran's having to sell his property?

Mr. Pawley: I recall, I think it was two years ago, that the same question was asked, and I think possibly the same answer holds. I would like to indicate, however, that we think the veteran has a big responsibility in the ultimate settlement of any amount of compensation. Because he has all the benefits to the property and so on we like to see him enter into initial negotiations. Whether these negotiations are successful or otherwise, we will make an estimate of the value of the property to ensure that he is getting at least a fair compensation.

If the veteran and the British Columbia Hydro are miles apart, on occasion we might act as an intermediary. Generally speaking

our value is based on market—what the market pays. I can understand and appreciate, however, that in many parts of the Columbia River area it has been impossible to establish market values. On this basis, as a rule, compensation would be based on what it would cost to replace this unit in another location.

Mr. Herridge: Relocation value.

Mr. Pawley: Well, being an appraiser, I really do not know what relocation value is, Mr. Herridge, but it is just the cost of replacing the amenities offered by that unit in as comparable a location as possible to that which he has to give up. Considerable leeway has to be given here because as a rule you cannot find too comparable a location.

Mr. Herridge: No, Mr. Chairman. I realize the sort of intangibles that surround a problem like this, but can I take it for granted that wherever the veteran and the British Columbia Hydro and Power Authority have not been able to come to a satisfactory arrangement, the officials of the Department place a value on the property that would make it possible for this veteran to purchase a similar property and so be satisfactorily relocated without loss?

Mr. Pawley: We will go to the extent of placing an estimated value on the property itself. We think this is as far as we are entitled to go. If we go beyond this it is really none of our business. However, we fully appreciate that it costs money for some person to move from A to B. As a rule, the veteran himself will know how much this cost will be. He knows better than we do and we like to leave this up to him. I do not doubt that on the odd occasion probably we have suggested to him, if he is not too sure, that possibly Joe Doakes down the road got 'X' number of dollars and that maybe this is about the same amount that should apply to him. I think probably this has happened, although we like to put this responsibility on the veteran himself.

Mr. Herridge: Have you had any occasions where the veteran was unwilling to accept the offer of British Columbia Hydro and then your Department exercised its authority as a federal department of government to refuse the British Columbia Hydro expropriation?

Mr. Pawley: We have not had a single case go to expropriation. This means that of those that have been settled, both the veteran and the British Columbia Hydro have been sat-

ified with the amount of compensation paid. To date there has not been an application to take expropriation action.

Mr. Herridge: I have another question. It has been the policy of the British Columbia Hydro and Power Authority in many cases to try to expropriate all the land of any property holder, even above flood level, and this has happened in a good number of cases. Does your Branch insist that if the veteran requires it, the land he owns that will not be affected by the flood level will remain in his possession?

Mr. McCracken: Mr. Herridge, I know of about four cases in the last year where it seems to me that British Columbia Hydro was perhaps amenable to the request of the veteran or the property owner that he be permitted to retain title to the land above the high water mark or the new water level. To cite some cases, Donnelly was one; another that has not been settled yet is that of a veteran by the name of Eaton, not too far from Nakusp and the proposal that was still being mulled over when I left British Columbia was to relocate Eaton's house on land above the new high water level mark; Hankins at Graham's Landing—I think this type of thing was involved in that settlement as well. So I am inclined to believe that perhaps British Columbia Hydro is amenable to this general proposal, but this is only based on cases of which I have knowledge. Whether it is a firm plan or agreement by British Columbia Hydro, I do not know. Based on these cases this seems to be what they are prepared to do.

Mr. Herridge: Yes, I know.

Mr. McCracken: You will perhaps recall Mr. Law down at Deer Park. After some considerable writing by you and others, he was permitted to retain title to about two acres above the new high water mark.

Mr. Herridge: Yes. I know of a number of cases of VLA settlers and other veterans where they tried in the first instance to acquire the whole of the property and later they relented somewhat. I think I will give your Branch credit. In Mr. Law's case, your Branch took this matter up and he was finally able to retain the certain area of land above the flood level.

But I am concerned about this because I have been informed by another department of the British Columbia government that hundreds of United States citizens are now mak-

ing application to purchase Canadian land above the flood level for the building of summer homes and things of that sort. You cannot blame them from their point of view. I have seen a copy of letter written by the British Columbia Hydro in which the applicant was advised that when they had purchased all the property they would be informed of what was for sale.

I am very much opposed to this sort of thing. I believe these properties should go in the first instance to the original owners above flood level if they wish it and, in the second instance, to Canadian citizens. I think there has been a bit of a mellowing on that question and several agencies of government have had a hand in that. I want to know what has been done by your Department to protect the interests of veterans who are not purchasers under VLA.

• (12:25 p.m.)

Mr. Pawley: Actually, to the best of my knowledge, Mr. Herridge, I do not think we have done anything directly. We do not think it is our business to become involved with those that are not established under the Act and because there is no relationship between us, we really do not want to appear as if we are sticking our nose into somebody else's business. However, I think that indirectly we may have contributed to some successful settlements. I think that through the local welfare officers and some of the officials from Vancouver who have contacted or are being contacted by other older veterans in the area, we have given advice and helped in this manner indirectly.

Mr. Herridge: Yes. I remember on one occasion bringing this problem to the attention of the Minister because of the responsibility of the Department of Veterans Affairs for veterans and their dependents in general. Instructions were issued to one of your officials to go to Renata. You might remember the case. British Columbia Hydro had offered this veteran, who I think was about 76 then, \$14,000 as a final settlement. I advised all my veterans to stick their heels in and remain firm until they are satisfied, which they have done, and they have had some fairly satisfactory settlements. But in this case an official of your Department went to see this man personally and appraised the property, and within a month the officials of British Columbia Hydro went back to him and offered him \$4,000 more. So there has been some co-operation in that respect.

Mr. Pawley: There is one point in this connection I would like to mention, Mr. Chairman. We have found that veterans all over Canada are pretty well equipped to argue their own cases before expropriating bodies and those acquiring their property and I think they are probably a little better equipped in the Kootenay area because of the tutoring they are getting.

Mr. Cowan: Mr. Herridge is just patting himself on the back.

Mr. Herridge: No, I did not intend to do that at all.

Mr. Chairman, I know of this case particularly because the veteran himself told me all the circumstances. Someone from your Department appraised the property and then he told British Columbia Hydro that the offer was quite insufficient. They raised it \$4,000 within a month and I was very pleased to see it. I think, generally speaking, the settlements have improved as the months go by. But how many have you now that are unsettled?

Mr. McCracken: Four.

Mr. Herridge: I have seen every acre cleared in this country. I know the value of every property. Is one of those mentioned named Walton? Would you mind giving me the list?

Mr. McCracken: Kenneth McNabb, Walton, Eaton and Mr. Vigue up near Revelstoke.

Mr. Herridge: Yes. South of Revelstoke. Thank you very much.

In view of my remarks on this subject I do hope that you gentlemen will do all you can to make certain that these veterans get what they consider they are entitled to in relation to the other properties that are being purchased.

The Chairman: Are you through, Mr. Herridge?

Mr. Herridge: Momentarily, yes.

Mr. Cowan: Mr. Chairman, reverting to the question asked by the member for Mercier, inquiring whether the veterans in Quebec were aware that loans are available under this Veterans' Land Act, in looking at Appendix 1 and Appendix 2 I notice that the number of loan approvals in Quebec has increased by 29 per cent. However the amount of loan approvals increased in Quebec by 64 per cent. There is no other area in Canada where the

percentage increase between the number of loans approved and the amount of loans is so great. Does this indicate that the loans are greater per individual application in Quebec than elsewhere in the Dominion, that is, judging by Appendix 1 and Appendix 2? The figures are there. Even if a large number of Quebec veterans have not heard of the loans it looks as though those who have heard very plainly.

Mr. Pawley: Unfortunately I do not think I have the answer to that, Mr. Chairman. The loans in Quebec are not any higher than they are in other parts of the country and they are quite comparable with those in Ontario and the Maritimes. Generally speaking the loans are much higher in British Columbia.

Mr. Cowan: Is that because of Mr. Herridge?

Mr. Pawley: I cannot explain the higher increase of 64 per cent in the loan approvals except, as you indicated, that probably those who are taking advantage of the Act are taking the maximum advantage of it. Possibly the reason for this is because the provincial legislation is more favourable to those who are not getting the maximum. This is purely a guess on my part. I will analyse it to see what the answer is and I will let you know.

Mr. Cowan: Will you give a copy to Prosper Boulanger?

Mr. Pawley: Yes, I will be glad to. Nobody seems to think we might have made a mistake. However, we will let you know.

The Chairman: Are there any other questions on Items 40, 45, and L115? Dr. Harley?

Mr. Harley: Mr. Pawley, I have had several communications from veterans who are unable to qualify for grants under the Veterans' Land Act because their length of service is not quite enough, they are short a couple of days of service. Is there anything which can be done about this? I know of one case where a man—and this was near the end of the war—had no knowledge concerning future legislation and at the request of his employer he went back to civilian employment, which was war employment. A salary went with this employment and, of course, this meant that he was excluded from participating in the Veterans' Land Act because his service was not sufficiently long.

Mr. Pawley: I think, Mr. Chairman, next to the minimum acreage for small holdings, this

has probably been the most perplexing problem with which we have had to deal. It does seem unfortunate that if a man is short one day he cannot qualify for these benefits. However, even if we establish a new level we will still have people who are short one day. This has been our problem over the years. Any change in this respect has been resisted over the years and I contemplate that it will continue to be resisted.

Mr. Chatterton: Mr. Chairman, may I ask if the Order in Council dealing with the directive relating to the 20 per cent discretionary power in acreage has been passed

Mr. Pawley: No, it has not been passed. I think it is somewhere between the Minister's office and the Privy Council.

Mr. Chatterton: Assuming this Order in Council is passed, under what general circumstances would you be prepared to exercise this 20 per cent discretionary power?

Mr. Pawley: I think in circumstances where no more land could be acquired than the minimum of 17,424 square feet.

Mr. Chatterton: Would the cost of the land be a factor?

Mr. Pawley: No, I do not think so. This is too difficult to administer.

Mr. Chatterton: Would this 20 per cent discretionary power also apply to those already established?

Mr. Pawley: Do you mean may they be reduced.

Mr. Chatterton: Yes.

Mr. Pawley: Yes, by all means.

Mr. Chatterton: But if you use a 20 per cent discretionary power to enable a veteran to reduce his acreage, why would you not apply it when the cost of the land is so high that the full half acre would cost too much?

Mr. Pawley: Because the administration of this particular feature of the act is now so difficult I am frankly most reluctant to bring in any more features which are going to compound that difficulty.

Mr. Chatterton: I would have thought the Director would have learned his lesson when the 20 per cent applied previously.

Mr. Pawley: From my point of view I think it worked out quite satisfactorily. I feel com-

pelled to mention, although I do not want to open up this subject again, that I have been called so many names over this matter of minimum acreage that it is almost getting through to me. Perhaps I am some of the things they call me.

I would like to bring up a point that has not been mentioned previously and in my remarks I want to make it clear that I intend to avoid any discussion of policy. There were about a million veterans from World War II and I would guess that easily 300,000 of these veterans have mortgages of such a nature that if the minimum acreage was reduced to a city sized lot they could immediately come to the Veterans' Land Act office and say that they want these benefits. Let us say, rather than 300,000, there are only 200,000. From the point of view of a \$1,400 grant, the grant actually represents \$280 million, the legal costs incurred to acquire property would be another \$15 million, administration over an extended period would be \$10 million and interest subsidization would be another \$200 million, for a total cost to the government of nearly \$500 million.

I do not know, 20 years after the war, if this is really justified. This is a question which you will have to answer because I cannot give the answer. I have taken the attitude, primarily because we have an Act to administer, that there seems to be no logical or reasonable solution to this problem. Consequently, should there be an amendment to the Act to make it into a straight housing provision at this stage? Here again I do not really have the answer but to me it seems questionable. Therefore our only alternative is to try to do the best we can in the circumstances. If there is a 20 per cent reduction in certain circumstances when a half acre cannot be applied, does this merely establish a new level? Our Act is now being phased out. I was charged with this responsibility some three years ago and this is one of the means in trying to phase the Act out in an orderly manner.

The other feature in connection with the proposed amendments which were mentioned the other day is if a veterans' health is impaired for any good reason whatsoever, and this equates roughly with what it would be if he had a 50 per cent disability, then no minimum acreage would apply in these cases. We say to the unimpaired veteran, "If you cannot find half an acre we will accept a piece of property down to 17,424 square feet". We say to the veteran who is sick—and this is, supported—"There is no minimum acreage for you".

I do not know how many years I have fought with this problem and there are some features about this move that I really do not have a good argument against. However, in the circumstances I think it is the only course of action that could be proposed and, fallible as it may be, this is the story. Thank you, Mr. Chairman, for letting me go on record on this point because I must admit I have had a lot of brickbats thrown at me over this particular part of the legislation.

The Chairman: I am sure it is going to be useful.

Mr. Chatterton: I would like to ask the Director a question with regard to the \$500 million, I think it was, that he mentioned. That would not just represent the grant, that would also represent the loan, is that right?

Mr. Pawley: No, it is on the grant \$200,000.

Mr. Chatterton: The grant would be \$280 million.

Mr. Pawley: At \$1,400 it is \$280 million. Legal costs are estimated at about \$150 a case only for eastern Canada. So for roughly half the number, another \$15 million. Administrative costs have been estimated to increase \$1 million a year because we would have to have much larger staff to handle the business and for ten years this would be another \$10 million. I have estimated the interest subsidy at about \$1,000. This is the 3½ per cent rate on part of the money and there is 5 per cent rate on the other part. If the government borrows money at 5 per cent—it may not be quite this much—but rounded at \$1,000 per case for 200,000 veterans this would be another \$200 million, or a total of \$505 million.

Mr. Chatterton: Mr. Chairman, it sounds like a very vast sum of money and I am glad to see that the Director has made a valiant attempt to justify his decision. However, I would bring to his attention and to the attention of the Committee that even if this sum were the total amount involved, that would be the total sum over the remaining six or seven years, over that long period, so that the annual amount would be perhaps of the order of \$70 million. I think the benefits that would accrue to the veterans would far exceed the disadvantages which the Director has outlined and it is my opinion that it will be done before very long in any event—depending on when the next election is, of course.

The Chairman: After that statement we will now hear from Mr. Herridge.

Mr. Herridge: Mr. Chairman, I would like to ask Mr. Pawley one or two further questions. I note with interest Item 45:

Grants to veterans settled on Provincial Lands in accordance with agreements with Provincial Governments. . .

When the Columbia River Treaty projects are completed there will be thousands of acres of land above the flood level from Castlegar to Revelstoke. I have been informed that there are approximately 300 veterans who would like to retire to some of these locations. Our people are inclined to get out in the wilderness rather than congregate in the cities. What are the benefits to the veteran under this provincial land settlement scheme?

Mr. Pawley: There is a straight grant of \$2,320 to a veteran who homesteads on provincial or federal land. Provided he stays there for ten years this becomes a grant, at which time in most provinces—and I think this includes British Columbia—he gets title to the land. Mr. Strojich tells me that the title is actually transferred to the Director, who holds the lease for ten years, at which time the veteran then earns the grant. Coupled with that, of course, are such matters as clearing, breaking and all the other features that go with provincial land development.

Mr. Herridge: Does the veteran get the \$2,300 grant on—

Mr. Pawley: That is right.

Mr. Herridge: —taking over the property? I know of a number of veterans who would like anything from one to five acres. Have I the Director's assurance that he would do everything possible to assist any veterans who apply for land above the flood level of the Columbia River who in many cases wish to retire to such circumstances?

Mr. Pawley: Mr. Herridge, there are two or three things in connection with this, and I would like to ask permission not to commit myself completely. In the first place the use of land for this purpose is up to the province. If the provinces say they do not want it used for this purpose then, of course, we can do nothing about it.

In the second place, the intent of the provincial land legislation was to permit the opening up of new areas of homesteading, and whether or not this would apply to the beautiful

interior of British Columbia I am not too sure. It is something that I would have to think a bit about. I think you can be assured that veterans who desire this kind of establishment will be given every consideration, in keeping with the circumstances surrounding individual cases.

Mr. Herridge: Mr. Chairman, I might say that some years ago I had correspondence with the provincial government, who were quite willing at that time to have from one acre up transferred to veterans under this provision. Therefore, I think I am fairly well justified in starting a campaign to get veterans settled on Canadian soil.

The Chairman: This seems to conclude our questioning.

Mr. Chatterton: May I make one brief comment in reply to the Director's argument for

refusing to remove restrictions? I know this is not his concern, but it is the concern of the government. The Director estimated that 200,000 additional veterans might use the VLA. I would point out for the record that these 200,000 veterans would have to repay their reestablishment credits to the government. Therefore, the government would recoup something like \$100 million from these veterans.

Items 40, 45 and L115 agreed to.

The Chairman: I would like to thank Mr. Pawley, Mr. McCracken and all the other officials who appeared before us this morning. I notified Mr. Ritchie and Mr. Muirhead to attend this meeting in the event we reached their vote, but I think we will have to leave that until our next meeting on Thursday. I think we should adjourn at this time.

Mr. Pawley: There is a slight...
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...with...
...Mr. Chatterton: Does the...
...the...
...Mr. Pawley: That is...
...Mr. Herridge: ...
...know...
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...Mr. Pawley: ...
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APPENDIX "C"

STANDING COMMITTEE ON VETERANS
AFFAIRS

REPORT ON TRIP TO EUROPE

1966

During the session 1966-67, the Standing Committee on Veterans Affairs, in its attempt to gain the greatest efficiency and in order to cope with the problems placed before it, requested permission from the House of Commons to proceed on an informative trip to five European countries, for the following purposes:

1. Tour some of the Canadian war cemeteries and memorials in France, Italy, Holland, Belgium, England, and obtain on the spot information about the work of the Commonwealth War Grave Commission, to whom Canada contributes approximately \$530,000.00 annually.
2. Visit some of the allied battlefields of the two great wars and attend the commemorating ceremonies of the 50th Anniversary of the Somme Battles, as part of an official Canadian delegation.
3. Obtain detailed information about veterans benefits in those countries, to be used as a basis for an eventual general study of the Canadian Pension and Allowance system.
4. Meet the representatives of the Canadian Veterans Association of the United Kingdom; appear at the British Commonwealth Ex-Service League Convention in London, and visit the Headquarters of the World Veterans Federation in Paris.

The trip was very successful and most beneficial to the members of the Committee, who had an exceptional opportunity to expand their knowledge by exchanging views with officials of other countries and foreign veterans associations about the veterans' welfare. Representatives of the Royal Canadian Legion and the Army, Navy and Airforce Veterans Association have accompanied the group and have already expressed publicly their appreciation for the work of the Committee during the trip and for the advisability of such an initiative.

Even though the amount of money received by our war veterans might be higher than

what is given in those European countries, it was the general feeling that the Committee should undertake a more detailed comparative study of the basic philosophy between the different systems. It is not the intention of this report to make a complete analysis, or to underline all the particular points that might have impressed one or another member of the Committee, but it might be useful to pinpoint some of the main items which seemed to arouse greater interest among the group.

In the French system, the presumption described as a particular procedure for eligibility might be an alternative solution to the controversy that does exist in this country as to the interpretation and definition of the "benefit of the doubt" clause. Also, the relation of pension to the salaries of civil servants could represent a first step towards the readjustment of the basic rate and the establishment of an automatic cyclical review of pension rates. Finally, the possibility of benefits over and above the 100% disability has impressed most of us, and it might be worthwhile to examine also more closely the French system of appeal, which includes a double-level jurisdiction and a possibility to appeal to a Supreme Court.

The philosophy behind the British system of pensions differs from the Canadian system, insofar as it relates more directly the total benefit received by the pensioner, to his actual needs. The entitlement to a pension allows the veteran to receive a basic pension, to which are added allowances for: wife, children, education of children, constant attendance need, unemployment, occupational severe disablement, age, wear and tear of clothing, etc.; plus an addition for rank. Members might have some doubts as to the advantage of this system over ours, but a few of us thought that a thorough examination of this allowance system might permit us to evaluate, whether our benefits are related to the real need between one class of pensioner and another. The appeal system in the U.K. is also different from the Canadian version, as it provides for the hearing, by Pensions Appeal tribunals, of appeals against ministry decisions on entitlement and assessment. These tribunals are outside the direct jurisdiction of the ministry and their composition could be an appropriate alternative to that of our Canadian appeal boards.

Many other points impressed the members of the Committee, either during these briefings, or during personal conversations with officials of the Ministère des Anciens Combattants et Victimes de guerre and the Ministry of Pensions and National Insurance, as well as in exchanges with the many representatives of different veterans associations that we had the opportunity to meet in the five countries, who also showed great interest in the Canadian pension and allowance system for veterans.

While visiting the headquarters of the World Veterans Federation, in Paris, we were able to learn about the work and the activities of this association, which held, for the first time, its biennial Council meeting in Toronto, in May 1966. We also discussed with the Secretary General the problem of the Polish cemeteries in France and Italy. As a matter of fact, it is through the W.V.F. that, consequently, representations were made to the French and Italian authorities for the maintenance and upkeep of these Polish cemeteries in Europe. Among the publications of this association, the Annals of Comparative Legislation, an annual publication on the question of pensions, benefits and welfare, has received the attention of our delegation, as it includes many very interesting articles relating to specific studies which are made by, or for, the W.V.F.

Throughout the tour, we met with the representatives of the Commonwealth War Grave Commission and were briefed on the work and problems of this organization, at each of their regional headquarters. It would be very difficult to put into words how greatly impressed were the members of the Committee, by the standard of upkeep of our war cemeteries and the state in which they are maintained by the C.W.G.C., which by the way celebrated its 50th anniversary of existence on the 21st of May, 1967. It might be of interest to note that our group was the first Canadian delegation to tour the Canadian cemeteries in Europe, thereby enabling us to witness, on the spot, the care that is given to each and every one of the tombs of our Canadian soldiers, who lost their lives in war,

all over the world. Our visit was an encouragement to those who are responsible for that work, and who have been doing it with veneration during half a century. The officials of the C.W.G.C., at all levels, did not miss one opportunity to express their appreciation to the Committee for having taken this first initiative of an official visit to the Canadian cemeteries and memorials abroad, for the past fifty years.

During our stay in London, in addition to visiting the headquarters of the Commonwealth War Grave Commission, and meeting the representatives of the British Commonwealth Ex-service League, we extended an opportunity to the Executive of the Canadian Veterans Association of the United Kingdom, to meet with us and to present a brief which was mainly related to war veterans allowance, and "the twelve months residence in Canada" clause, applicable prior to being able to draw the allowance outside of Canada. We know that since then, Lt-Col. Victor Jones, has been in correspondence with the Minister of Veterans Affairs about this question, and we sincerely hope that some kind of a solution will be found to eliminate, what this association calls, an injustice to the Canadian veterans in the United Kingdom and in other countries.

The Committee is very grateful to the Minister of Veterans Affairs, and to the officers of his Department in Canada and London, along with the officers of the Department of External Affairs who co-operated with us in the organization of this trip and throughout our travels. We appreciated very much the warm attention given to our group by our various ambassadors and the personnel of our embassies in Europe; and we owe a debt of gratitude to the Ministère des Anciens Combattants et Victimes de guerre of France, the Ministry of Pensions and National Insurance of U.K., the Ministry of Defence of Italy, the heads and personnel of the Commonwealth War Grave Commission, the Netherlands War Grave Committee, the World Veterans Federation, and all those who were more or less involved in our activities during that trip.

The Canadian version as it provides for the...
 Legion and the Army, Navy and Air Force...
 Veterans Association have accompanied the...
 group and have already expressed publicly...
 their appreciation for the work of the Com-...
 mittee during the trip and for the establish-...
 ment of such an initiative.
 Even though the amount of money received...
 by our war veterans might be higher than

APPENDIX "D"

**STATEMENT TO
THE STANDING COMMITTEE ON
VETERANS AFFAIRS**
respecting the
**Estimates (1967-68) of The Veterans' Land
Administration**
by
Mr. R. W. Pawley,
Director of The Veterans' Land Act

Mr. Chairman, I have prepared a brief statement outlining salient points of V.L.A. operations during 1966-67, including graphs similar to those made available to the members of the Committee last year, and of what our business forecasts are for the current fiscal year. I have copies of this statement with me and, if this should be agreeable, they could be distributed to the members now.

When the Committee considered the Estimates for V.L.A. last year, I forecast that our workload for 1966-67 would increase by 30 percent or more over the previous year. In fact, the number of loans made increased by 37.7 percent. Loan approvals totalled just under \$88,000,000 and loan funds disbursed rose 62 percent to \$83,660,000. There was also a further and even more substantial increase of 116 percent in the number of veterans qualified.

In the overall, last year was the most active in respect to the volume of operations since 1946-47. I do not believe there is any doubt that this was attributable to the amendments made to the Act in 1965. As shown on the various graphs, our increased business was general in all Regions, with the largest occurring in Ontario where 51 percent more loans were approved last year than in 1965-66.

Mr. Chairman, I do not wish to bore yourself and the members with figures. It might be of interest, however, if I were to give round comparative figures for the main categories of loans made in 1965-66 and 1966-67:

	1965-66	1966-67
New farm establishments	260	270
Additional loans to farmers already settled	1,550	2,050
New small holding and commercial fishing establishments	2,800	4,200
Additional loans to small holders and commercial fishermen already established	2,000	2,700
TOTAL	6,610	9,220

For the current fiscal year, I consider our loan operations will equal those of last year—except for new small holding establishments which are expected to increase 12 percent to 4,700. Insofar as qualification activity is concerned, I anticipate there will be a further increase of approximately 25 percent and that we will issue certificates this year to 20,000 veterans.

At the meeting last year, I mentioned various steps that had been and would be taken to simplify reports, streamline procedures and make the most effective use possible of our human resources. Notwithstanding the increase in business predicted, it was our objec-

tive to provide as good or better service to veterans than was extended in the past. As a result of these actions, and to the continued dedication and high work production of all personnel, this objective was attained.

Further administrative streamlining is constantly under review but on a controlled basis to prevent any confusion. By establishing a five-man team at Head Office, and by using the D.V.A. files, we have reduced the time for qualifying a veteran considerably and have made available more time for field staff to devote to the actual job of establishment. In addition much paper work has been eliminated and by use of rapid communications this

may result in an overall saving of costs. Changes in our appraisal techniques, the encouragement of basic plans for construction and possibly the setting of legal closing dates for property acquisition are other features that are being implemented.

For the various reasons mentioned a few minutes ago relating to improved systems and management methods, we were able to handle last year's considerable volume of business with a staff less than 2 percent greater than in 1965-66. Having regard for the increases again foreseen this year in qualification and small holding settlement workload, I expect we will find it necessary to engage a further small number of additional staff.

You will observe in the Estimates that the amount of Vote 40 for 1967-68 is some \$510,000 higher than the figure shown for last fiscal year. In fact, our total administrative costs last year were \$5,075,000. The reasons for the further increase this year are: higher salary costs as a result of the general classification program and salary increases; the additional staff we have employed and expect to engage; and increased costs for legal agents employed to search title in Provinces east of Manitoba consistent with the increase in small holding establishments.

Vote L 115 of the Loans, Investments and Advances section of the Estimates is for the purpose of increasing by \$150,000,000 the Veterans' Land Act Fund—which is a Revolving Fund and which was established at \$380,000,000 by the legislative amendments

enacted in 1965. I believe Appendix 5 attached to this statement adequately indicates the charges and recoveries to the Fund since it came into operation 1 October, 1965 and the need which exists to increase it at this time.

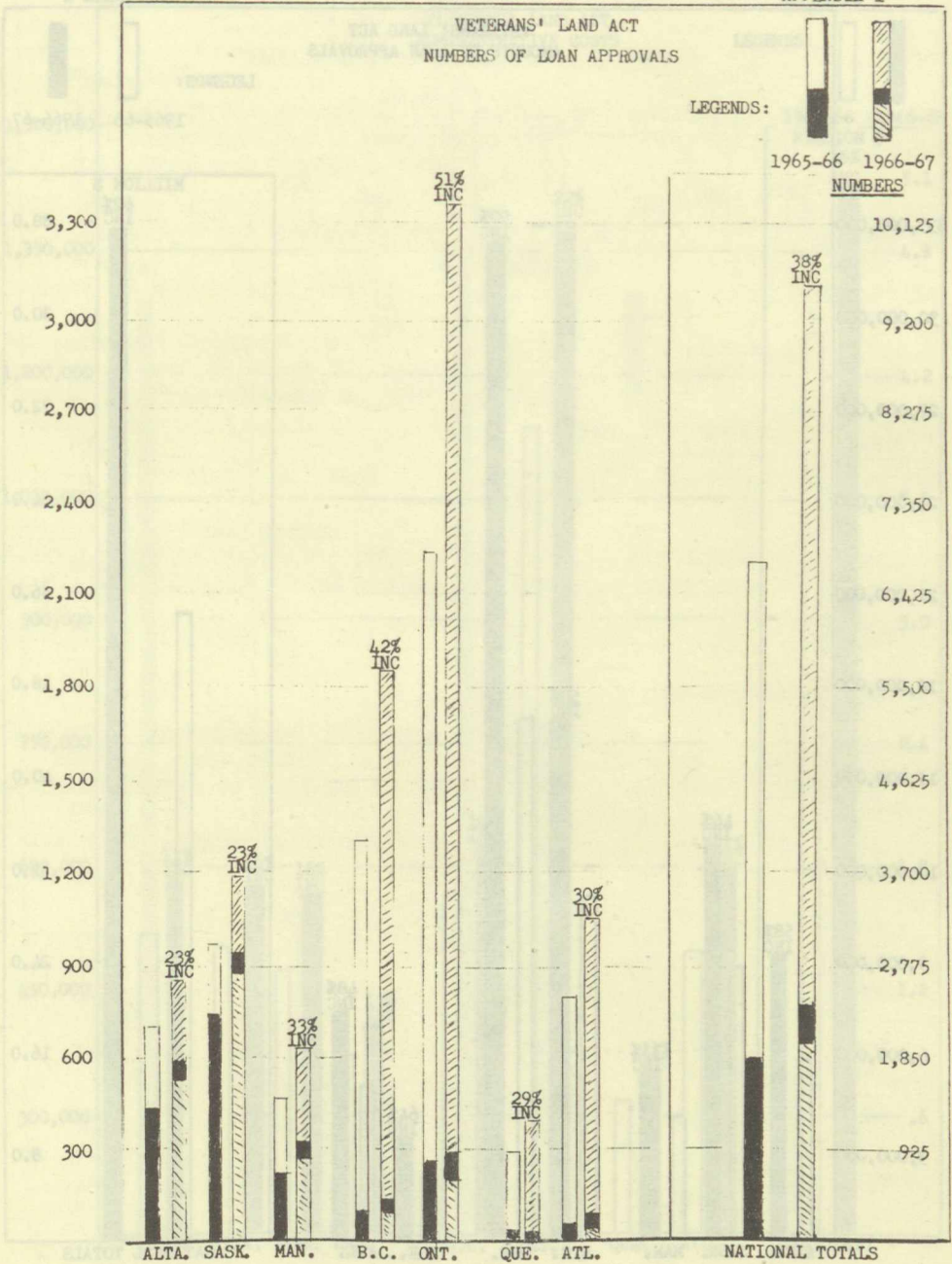
There is one final item to which I would like to refer, Mr. Chairman, and that is in connection with the Off-Reserve Housing programme announced recently by the Minister of Indian Affairs and Northern Development. As the Hon. Mr. Laing stated, this programme will involve Indian Affairs, Central Mortgage and Housing Corporation and the Veterans' Land Administration. After the eligibility and the amount of loan is established by officials of Indian Affairs, the V.L.A. will be responsible for specific counselling, appraisal of the property, construction of any new house involved, and disbursement of the progress payment or mortgage funds. To carry out these functions, I find that, in addition to being the Director of the Veterans' Land Act, I am an agent of C.M.H.C. and the Supervisor, Off-Reserve Housing for Indian Affairs. Although it is difficult to forecast at this time what volume of operations may develop in 1967-68, I am pleased at the role we have been asked to play and am confident we will be able to adequately perform our functions. My only concern is that, from time to time, I may wear the wrong hat by mistake.

I wish to thank you, Mr. Chairman, and will be pleased to answer any questions which may arise.

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NUMBERS

APPENDIX 1



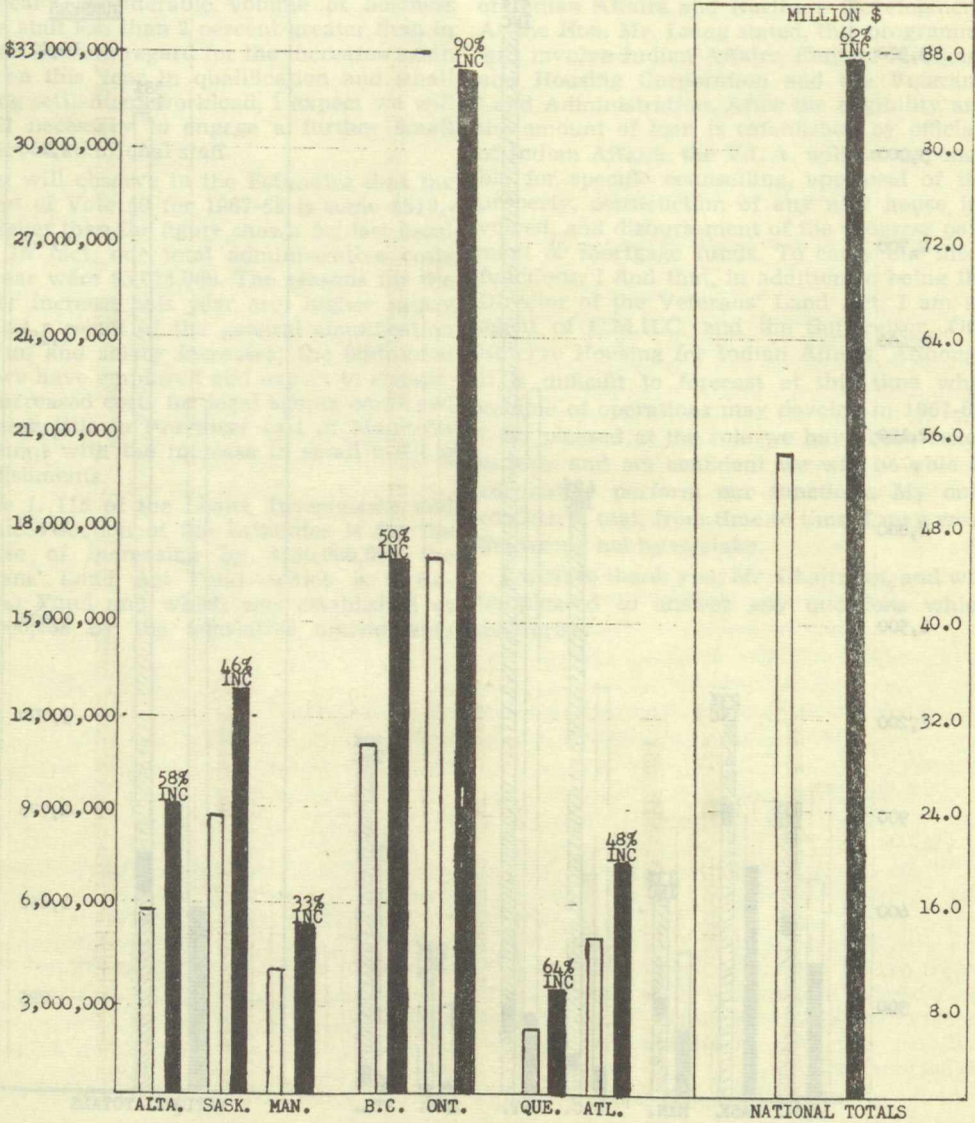
APPENDIX 2

VETERANS' LAND ACT
AMOUNTS OF LOAN APPROVALS

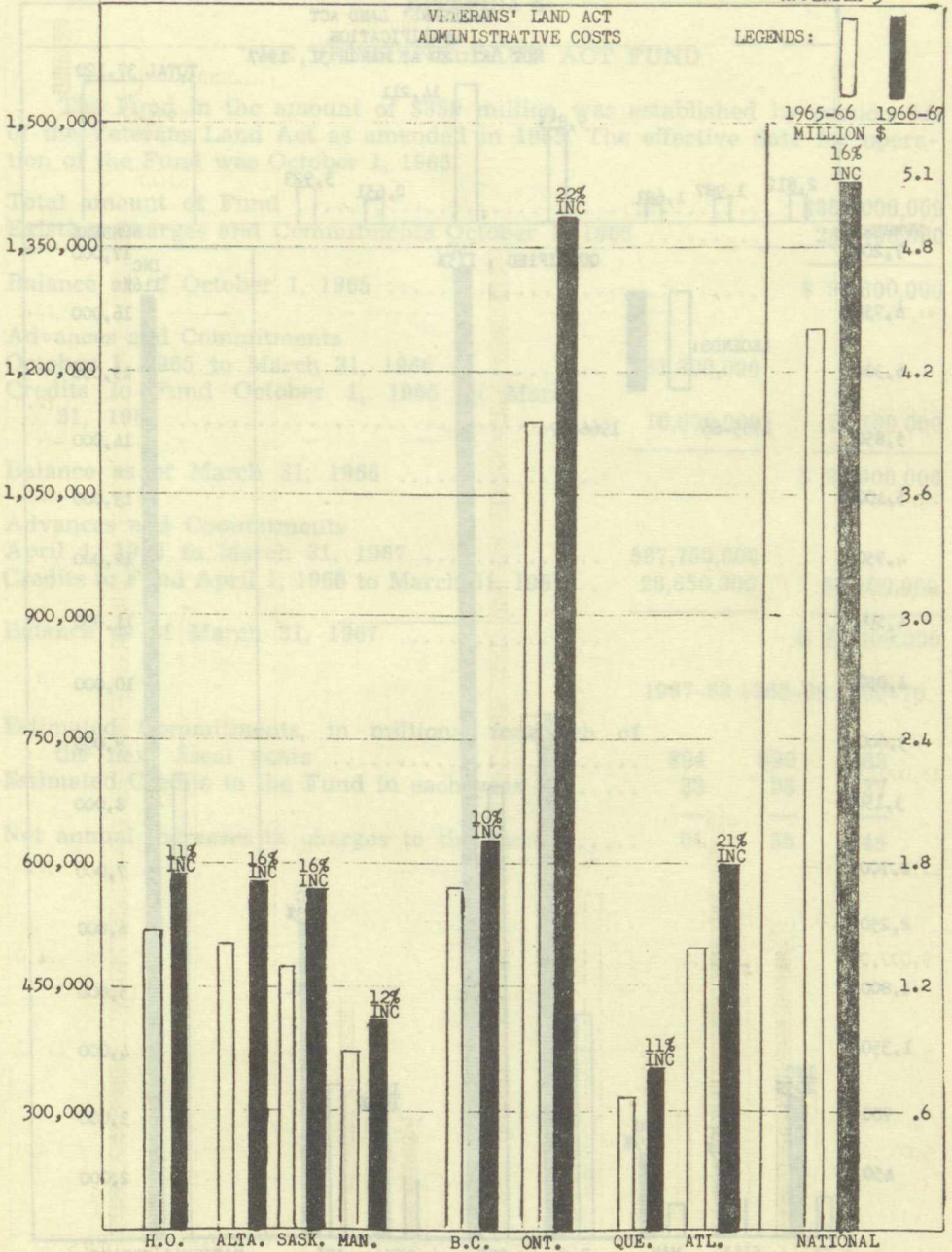
LEGENDS:

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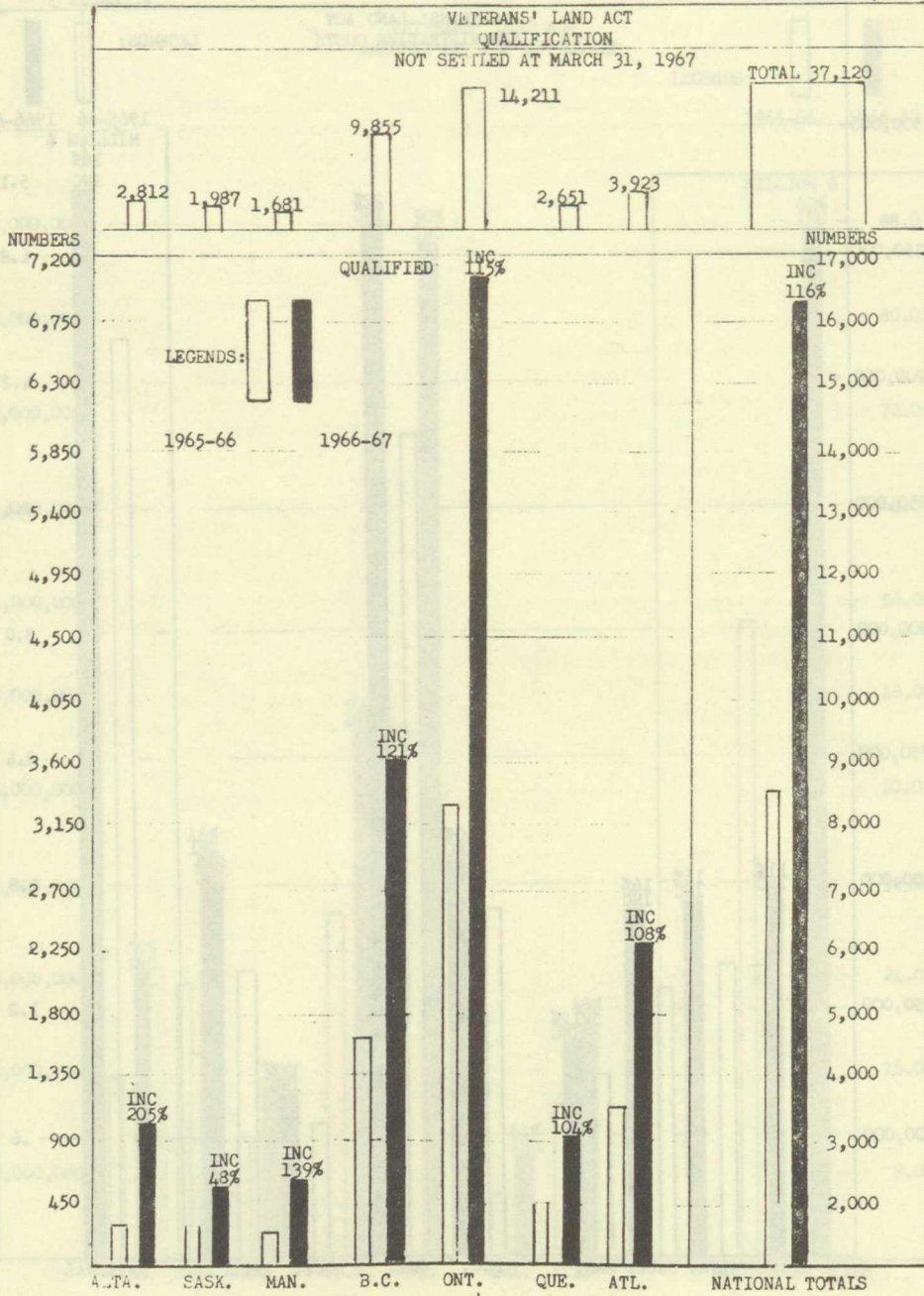
1966-67



APPENDIX 3



APPENDIX 4



APPENDIX 5

THE VETERANS' LAND ACT FUND

The Fund in the amount of \$380 million was established by section 5A of the Veterans Land Act as amended in 1965. The effective date for operation of the Fund was October 1, 1965.

Total amount of Fund		\$380,000,000	
Existing Charges and Commitments October 1, 1965		281,400,000	
		<hr/>	
Balance as of October 1, 1965		\$ 98,600,000	
Advances and Commitments			
October 1, 1965 to March 31, 1966	\$31,300,000		
Credits to Fund October 1, 1965 to March 31, 1966	16,600,000		14,700,000
	<hr/>		<hr/>
Balance as of March 31, 1966			\$ 83,900,000
Advances and Commitments			
April 1, 1966 to March 31, 1967	\$87,750,000		
Credits to Fund April 1, 1966 to March 31, 1967 ..	28,650,000		59,100,000
	<hr/>		<hr/>
Balance as of March 31, 1967			\$ 24,800,000

1967-68 1968-69 1969-70

Estimated Commitments, in millions, for each of the next fiscal years	\$94	\$90	\$83
Estimated Credits to the Fund in each year	33	35	37
	<hr/>	<hr/>	<hr/>
Net annual increases in charges to the Fund	61	55	46

APPENDIX 2

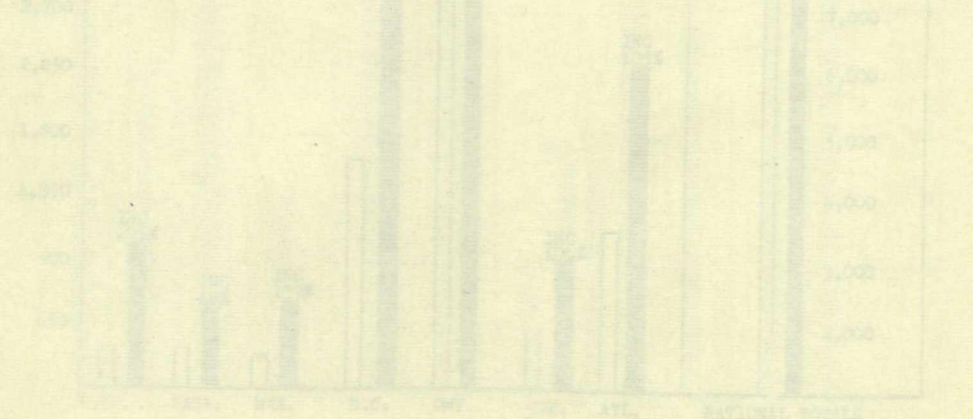
THE VETERANS' LAND ACT FUND

The fund in the amount of \$380 million was established by section 2A of the Veterans' Land Act as amended in 1963. The effective date for operation of the fund was October 1, 1963.

Total amount of fund	\$380,000,000
Existing charges and commitments October 1, 1963	281,400,000
Balance as at October 1, 1963	\$ 98,600,000
Advances and commitments October 1, 1963 to March 31, 1966	287,300,000
Credits to fund October 1, 1963 to March 31, 1966	14,100,000
Balance as at March 31, 1966	\$ 83,900,000
Advances and commitments April 1, 1966 to March 31, 1967	287,750,000
Credits to fund April 1, 1966 to March 31, 1967	28,550,000
Balance as at March 31, 1967	\$ 24,800,000

1967-68 1968-69 1968-70

Estimated commitments in millions for each of the next fiscal years	\$84	\$80	\$83
Estimated credits to the fund in each year	33	35	37
Net annual increase in charges to the fund	51	45	46



OFFICIAL REPORT OF MINUTES
OF
PROCEEDINGS AND EVIDENCE

This edition contains the English deliberations and/or a translation into English of the French.

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Translated by the General Bureau for Translation, Secretary of State.

LÉON-J. RAYMOND,
The Clerk of the House.

HOUSE OF COMMONS

Second Session—Twenty-seventh Parliament

1967

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: Mr. GÉRALD LANIEL

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

THURSDAY, JUNE 15, 1967

RESPECTING

The Main Estimates (1967-68) of the Department of
Veterans Affairs

AND INCLUDING

THE COMMITTEE'S FIRST REPORT TO THE HOUSE

WITNESSES:

From the Department of Veterans Affairs: Mr. Paul Pelletier, Deputy Minister; Dr. K. S. Ritchie, Director General, Treatment Services; Mr. J. E. Walsh, Director; Financial Management; Dr. C. C. Misener, Director of Administration Services; Mr. L. T. Muirhead, Director of Budget, General Treatment Services.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1967

1957

STANDING COMMITTEE

ON

VETERANS AFFAIRS

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: M. Gérald Laniel

Vice-Chairman: Mr. Harry Harley

and

Mr. Boulanger,	Mr. Herridge,	Mr. Morison,
Mr. Chatterton,	Mr. Kennedy,	Mr. Ormiston,
Mr. Clancy,	Mr. Latulippe,	Mr. Rock,
Mr. Cowan,	Mr. Legault,	Mr. Thomas
Mr. Deachman,	Mr. MacRae,	(Maisonneuve-
Mr. Énard,	Mr. Madill,	Rosemont),
Mr. Fane,	Mr. Martin (Timmins),	Mr. Tolmie,
Mr. Habel,	Mr. Matheson,	Mr. Webb—24.

(Quorum 13)

D. E. Levesque,
Clerk of the Committee.

WITNESSES:

From the Department of Veterans Affairs: Mr. Paul Feltner, Deputy Minister; Dr. K. S. Ritchie, Director General, Treatment Services; Mr. J. E. Walsh, Director, Financial Management; Dr. C. C. Mison, Director of Administration Services; Mr. I. F. Matheson, Director of Budget, General Treatment Services.

HOUSE OF COMMONS
PRINTED AND CONTROLLED BY STATIONERY
OFFICERS

ORDER OF REFERENCE

HOUSE OF COMMONS

TUESDAY, June 13, 1967.

Ordered,—That the Annual Report of the Department of Veterans Affairs, the Canadian Pension Commission and the War Veterans Allowance Board for the fiscal year ended March 31, 1966, be referred to the Standing Committee on Veterans Affairs.

Attest.

LÉON-J. RAYMOND,

The Clerk of the House of Commons.

REPORT OF THE COMMITTEE

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

FIRST REPORT

Pursuant to its Order of Reference from the House dated June 1, 1967, your Committee has made a thorough examination of the Main Estimates (1967-68) of the Department of Veterans Affairs, including Vote L115 in Loans, Investments and Advances, and has agreed to recommend same to the House for adoption.

Your Committee was most pleased with the high degree of efficiency and understanding which mark the administration of all Branches of the Department of Veterans Affairs. The Committee commends the Minister, the Deputy Minister and the Officials of the Department for their co-operation and assistance and for the manner in which they supplied detailed answers to questions posed by members of the Committee.

Your Committee would greatly appreciate having the opportunity of examining the Wood's Report on the Work and Organization of the Canadian Pension Commission, after the said report has been published and tabled in the House.

Your Committee, while examining the Annual Report 1965-66 of the Department of Veterans Affairs, the Canadian Pension Commission and the War Veterans Allowance Board, also plans to undergo a comparative study of all Veterans' benefits.

A copy of the relevant Minutes of Proceedings and Evidence (*Issues Nos. 1 to 4 inclusive*) is tabled.

Respectfully submitted,

GÉRALD LANIEL,
Chairman.

MINUTES OF PROCEEDINGS

THURSDAY, June 15, 1967.

(4)

The Standing Committee on Veterans Affairs met this day at 11.05 o'clock a.m. The Chairman, Mr. Laniel, presided.

Members present: Messrs. Chatterton, Clancy, Cowan, Émard, Fane, Deachman, Habel, Harley, Herridge, Laniel, Legault, Martin (*Timmins*), Matheson, Morison, Thomas (*Maisonneuve-Rosemont*), Webb (16).

In attendance: From the Department of Veterans Affairs: Mr. Paul Pelletier, Deputy Minister, Mr. P. E. Reynolds, Chief Pensions Advocate, Mr. C. F. Black, Departmental Secretary, Dr. K. S. Ritchie, Director General, Treatment Services, Mr. J. E. Walsh, Director, Financial Management, Mr. L. T. Muirhead, Director of Budget, General Treatment Services, Dr. C. C. Misener, Director of Administration Services, Mr. D. K. Ward, Deputy Chief Pensions Advocate.

The Chairman called the meeting to order and read the Order of Reference referring the Annual Report (1965-66) to the Committee. Also letters from Mr. T. D. Anderson, Chairman of the Canadian Pension Commission and Mr. Lionel Hurd, Past-President of the Hong Kong Veterans Association of Canada.

The Chairman called Items 30, 35 and 38, and introduced the witnesses. The Committee resumed consideration of the Departmental Estimates (1967-68).

Items 30, 35 and 38 were severally considered and carried.

Item (1) General Administration was completed and adopted.

The Chairman thanked the Officials of the Department and read a draft Report to the House which was *adopted* unanimously.

Mr. Harley moved, seconded by Mr. Habel,

Agreed,—That the Chairman report the Main Estimates (1967-68) of the Department of Veterans Affairs as the Committee's **FIRST REPORT** to the House.

At 12.00 o'clock p.m., the Chairman adjourned the Committee to the call of the Chair.

D. E. Levesque,
Clerk of the Committee.

Chair of the Committee
D. E. Gallagher

of the Order

At 12:00 o'clock P.M. the Chairman adjourned the Committee to the next
Meeting

Department of Agriculture Affairs of the Committee FIRST REPORT to the
House - That the Chairman report the Joint Committee (1961-62) of the
Mr. Nathan G. ...

Report to the House which was adopted unanimously

The Chairman thanked the Chairman of the ...

Items (1) General Administration was considered and carried
Items 26, 27 and 28 were also considered and carried

The Committee Chairman ...

The Chairman called the attention of the ...

Administrative Services Mr. B. K. ...

Director of Budget ...

Director of ...

Director of ...

Director of ...

Director of ...

The Chairman ...

The Chairman ...

The Chairman ...

MEMORIAL OF PROCEEDINGS

EVIDENCE

(Recorded by Electronic Apparatus)

• (11:09 a.m.)

Thursday June 15, 1967.

The Chairman: I now see a quorum so I will call the meeting to order. Before we proceed with the study of the estimates there are a few things that I want to bring to the attention of the Committee. First, we have received from the House a new order of reference which I will read to you.

Tuesday, June 13, 1967

Ordered.—That the Annual Report of the Department of Veterans' Affairs, the Canadian Pension Commission and the War Veterans Allowance Board for the fiscal year ended March 31, 1966, be referred to the Standing Committee on Veterans Affairs.

If the Committee is agreeable, later this week I will call a meeting of the Subcommittee on Agenda and Procedure, the Steering Committee, to program our study of that annual report. Is that agreed?

Some hon. Members: Agreed.

The Chairman: Then, I have a letter that I would like to read to you which I received this morning from Mr. Anderson, Chairman of The Canadian Pension Commission concerning his appearance before the Committee this week. It is addressed to me, as Chairman of the Standing Committee on Veterans Affairs. It is to clarify a statement made by Mr. Anderson and I will read it to you.

Dear Mr. Laniel,

I have now had an opportunity to read the evidence which I gave before the Standing Committee on Thursday, June 8th. I am sorry indeed that my remarks regarding the recommendations of the Standing Committee do not convey clearly what I wanted to say. I was, I'm afraid, trying to deal with the principle involved in the question of granting special assessments rather than the details of how it might be done.

Section 28(1) of the Pension Act requires that "pensions for disabilities shall...be awarded or continued in accordance with the extent of the disability

resulting from injury or disease or aggravation thereof as the case may be, of the applicant or pensioner". Under the provisions of this section, the pensioner is examined from time to time and the disability is assessed in accordance with the extent of the said disability at the time of examination. Any change in this procedure designed to apply to any individual or group would, of course, require an amendment to the Pension Act exempting that particular individual or group from the provisions of Section 28(1).

I would appreciate very much if you could arrange to have this explanation included in the record of proceedings and evidence.

Yours sincerely,

T. D. Anderson,
Chairman.

I imagine that some of us might have the impression that the recommendation of the Standing Committee on Veterans Affairs of last year on Hong Kong veterans did not need legislation to be implemented. From this letter of explanation, it seems that it would need legislation, but if you do not mind, I will take the first opportunity to discuss this either with the Minister or the Deputy Minister and find out exactly what is happening or what could happen.

I have also another letter from the Hong Kong Veterans' Association of Canada, Quebec Branch, signed by Mr. Lionel Hurd, Past National President. It is addressed to the Chairman of the Standing Committee on Veterans Affairs.

Dear Mr. Laniel:

Several months ago the Minister of Veteran's Affairs announced that all Hong Kong Veterans receiving disability pensions would be upgraded from 10% to 20%. Can you verify if this has happened in every case?

Thanking you and the Hon. Members for all the kind consideration you have shown our Association in the past.

Yours respectfully,

Lionel Hurd,
Past National President.

I was wondering, on receiving this letter, if the Committee would be interested in asking The Canadian Pension Commission to supply the Committee with detailed information about the revision of the cases of all the Hong Kong veterans; some kind of comparative report where it would show how many of them received an increase of so much, and from what category to what category. This might be useful to the Members of the Committee, who might receive letters from Hong Kong veterans and it would certainly be useful to the Chairman of the Committee to obtain that information so that he might be in a position to reply officially to that letter from Mr. Hurd. Is it agreed that we make the request to The Canadian Pension Commission?

Mr. Chatterton: Will it be included as part of the minutes?

The Chairman: Yes. But I wonder if this can be done with today's minutes, though.

Mr. Chatterton: No.

The Chairman: When we get it. But anyway we can send copies to Members and maybe include it at a future meeting. Is that agreeable?

Some hon. Members: Agreed.

The Chairman: Agreed. I have other correspondence, but I think it should be left until the end of our meeting.

Mr. Chatterton: Are you not going to have Mr. Henderson's letter included as part of the Minutes?

Mr. Harley: It already is. You read it.

The Chairman: Yes, I read it; but when there are no tables attached, it is not as necessary. Anyway, the letter will be referred to the people taking the transcript just to make sure they got it right. So I will now call Votes 30, 35 and 38 of the Estimates on Treatment Services, which include Operation and Maintenance, Vote 30, Hospital Construction, Vote 35 on pages 584-5; and Vote 38, Treatment and Related Allowances on page 585.

We have with us this morning, Dr. Ritchie, the Director General of Treatment Services, who will appear as a witness; Mr. Muirhead, the Director of Budget, Treatment Services; and Dr. Misener, Director of Admission Services, who will reply to your questions.

Dr. Ritchie, do you have any comments to make before the members start their questions?

Dr. K. S. Ritchie (Director General of Treatment services): No, I have no general comments to make, Mr. Chairman.

The Chairman: I will now invite the Members to put their questions to any one of these three gentlemen.

Treatment Services

30. Operation and Maintenance including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year for hospital and related services, 55,703,900.

35. Hospital Construction, Improvements, Equipment and Acquisition of Land, 5,947,000.

38. Treatment and Related Allowances, 2,610,000.

Mr. Deachman: Mr. Chairman, I have two or three questions to ask relative to Shaughnessy Hospital, which is located in my own constituency.

There was an arrangement made quite recently with St. Vincent's Hospital in regard to steam and a contract worked out between Shaughnessy Hospital and St. Vincent's. It was some time before a suitable arrangement could be made, I believe, and I have not been in touch with the details of that in the last little while, but I just want to ask this question. Has this been wound up satisfactorily and is the arrangement now working?

Dr. Ritchie: Mr. Chairman, I do not know whether I can confirm that the arrangement has been finalized, and that an agreement has been signed. Certainly, the general terms of the agreement have been discussed and agreed to both between the participating hospitals and the provincial government. As you have indicated, there is a proposal whereby steam will be supplied to St. Vincent's and to the Grace Hospitals in Vancouver through Shaughnessy Hospital. There was some difficulty in negotiating the terms of this and arriving at a final agreement but I think this has been completed to the satisfaction of all parties now.

Mr. Deachman: I think the problem lay in the difference in accounting procedures between the federal government and the provincial government which would have to share the cost of this. I wonder whether in principle the question of this accounting between the two had been resolved because once you had passed this gate, the resolution of a proper formula between the two seemed to present no further difficulty.

• (11.20 a.m.)

Dr. Ritchie: This was resolved. This was a question, I believe, of whether or not it would be a capital grant towards the construction or whether or not it would be incorporated in the charge per pound of steam. I think that was the difficulty and it has been resolved.

Mr. Deachman: My next question has to do with the outpatient department. From time to time, although I may say not recently, I have heard complaints that there have been very long periods of waiting for patients at the outpatient department, sometimes sitting there all day without getting treatment. I wonder whether you could comment on these complaints. I have had them from a number of sources and from responsible individuals, and I think their complaints were valid. I would like to hear your comments in regard to that.

Dr. Ritchie: Mr. Chairman and Mr. Deachman, I do not think there is any doubt that there are valid complaints of patients' having to wait long periods in any of our departmental clinics. I think this is, though, not unusual in any clinic, whether it be in a departmental hospital or a civilian hospital or, for that matter, in a doctor's office. There are many occasions when our part-time consultants are held up either in a local hospital or in their own offices and are not available during the normal clinic hours and that an appointment had been made for the veteran for a certain time of the day and he has to wait until the doctor arrives. There are other occasions, too, where the fault is not on the part of the department but possibly on the part of the veteran, who reports in without an appointment and then has to wait until possibly the afternoon when that particular clinic is held. There are long waits in all of our clinics at times but we feel that in most instances these are due to circumstances beyond our control. I know that in Vancouver some year and a half ago they instituted an appointment system where they try to make an appointment for a particular hour in order to overcome this complaint about waiting. I have not heard any criticism of this but I do not doubt that there are patients who have to wait.

Mr. Deachman: My next question relates to wage levels of staff and especially orderlies. I know this has been under negotiation and some adjustments have been made but the complaint of orderlies on the West Coast is that their rate is not comparable to rates at the General Hospital or other hospitals in the

Vancouver area are lower because of the disparity between wage rates in Eastern Canada and on the Coast. I wonder what the current position is in respect of their wages and how this problem is being resolved.

Dr. Ritchie: The matter of wages is something which is beyond our immediate control, Mr. Deachman, but it is quite true that in Vancouver our rate for nursing, orderlies and other classes is considerably below the local rate. This is because, as part of the Public Service Commission, our employees are required to be employed at rates which are national rates rather than regional rates. This, I think, can be overcome in the near future when collective bargaining is instituted. We have tried every measure possible to get approval from the Civil Service Commission and subsequently the Public Service Commission, to have a regional rate approved, not only for orderlies in Vancouver but for other employees in other areas which are high wage areas.

Mr. Deachman: What progress has been made with the question of a regional rate?

Dr. Ritchie: In the department we have established regional recruiting rates for nurses. We have, I think, in the classification of hospital laboratory technicians, managed to obtain a regional rate in two areas but this is the extent to which we have been able to obtain regional rates.

Mr. Deachman: I have one or two other questions, if I may, Mr. Chairman. One relates to the bed occupancy rate at Shaughnessy Hospital. Are there any vacant beds at Shaughnessy Hospital or are they fully occupied by veteran patients?

Dr. Ritchie: I can refer to a specific figure, but generally speaking, Shaughnessy Hospital is operating above the normal operating capacity for a general active treatment hospital. I believe it is operating at about 87 per cent occupancy. The reason it can do this is that it has a fair number of chronic care and domiciliary care patients.

Mr. Cowan: Pardon me for the interruption; the percentage is all right but what number of beds are vacant?

Dr. Ritchie: Have we a figure on that?

Mr. Cowan: Eighty-seven per cent does not mean anything unless you know the number of beds in the hospital.

Dr. Ritchie: No, Mr. Cowan, but in so far as the operation of a hospital is concerned the

percentage occupancy is the controlling factor, not the number of beds.

Mr. Cowan: I have been chairman of a hospital for 17 years. I just want to know how many beds are empty. I do not want to know if there is 13 per cent empty. I want to know how many beds are empty.

Dr. Ritchie: I have the figure.

Mr. Deachman: I am grateful to Mr. Cowan for his interventions but I do not want to take up any more time than is necessary with my own questions and I know Mr. Cowan will question the witnesses very capably when his own turn comes.

Mr. Cowan: I do not want to do it an hour later. It is a point that you have raised.

Mr. Deachman: I think, Mr. Chairman, with due respect to Mr. Cowan, I know he will get along very well when his own time comes and I am quite satisfied with the figure of 83 per cent. Mr. Cowan, perhaps you could take the matter up when the time comes along for yourself. There has been a question—

Mr. Cowan: Are you looking up the answers for me?

The Chairman: Are they available right now?

Dr. Ritchie: As of the 30th of April, Shaughnessy Hospital was 88.6 per cent occupied and it had a normal rated bed capacity of 1165 beds and the daily average inpatient strength was 1031.

Mr. Cowan: Thank you.

Mr. Deachman: Mr. Chairman, has there been any discussion of using any of the beds at Shaughnessy Hospital for civilian purposes, or purposes other than to care for veterans?

Dr. Ritchie: I am not aware of any direct approach for beds at Shaughnessy Hospital for civilian use.

Mr. Deachman: If such an approach were made, is it your belief that beds are available there for that purpose?

Dr. Ritchie: I would have to state that with the percentage occupancy that we have at the present time, there are not beds available for civilian use.

Mr. Deachman: So in the foreseeable future you do not see Shaughnessy Hospital being occupied by anybody else but veterans.

Dr. Ritchie: I do not foresee the availability of beds because the veteran population in Vancouver is increasing by about 1 per cent per annum. It looks as though this might continue to create a demand for the beds that are available at the present time.

Mr. Deachman: Thank you very much, Mr. Chairman.

Mr. Harley: Dr. Ritchie, I want to ask you several questions on Vote 30. I also have some questions on Vote 38, but I will leave those until we are dealing with that vote.

In Vote 30 on page 582 of the Estimates for your department, there are some figures about which I would like to question you. For instance, the figures for item "Hospitalization in other than Department of Veterans Affairs Institutions" went from approximately \$4 million last year to roughly \$8 million this year. Was this because of the turnover of Sunnybrook Hospital?

Dr. Ritchie: This is because of the turnover of Sunnybrook Hospital. Actually, the transfer of Sunnybrook Hospital has created quite a stir in the figures generally throughout the vote.

Mr. Harley: Thank you. There are two other things that may be related to the same thing and may be related to one another. At the bottom of the page under "Other Professional and Special Services" it has gone from \$3.5 million to almost \$5.5 million. At the same time the figures for "Positions (man-years)", coming down the column, have decreased by 1,500 man-years.

Dr. Ritchie: This is the result of the same influence. We are now paying for out-patient services at Sunnybrook Hospital which we used to provide ourselves.

Mr. Harley: Thank you very much.

The Chairman: Mr. Harley, if I remember correctly you put a question to Mr. Anderson the other day concerning burials and I think this would come under Vote 30. Do you still want to ask that question.

Mr. Harley: The question was concerning a recipient of war veterans' allowance who dies at home rather than on hospital strength. My understanding of the regulations is that financial assistance for burial is available if the patient dies on hospital strength but not if he dies at home. This struck me as a little unusual, because we are encouraging sick people to stay at home and out of the hospital, and yet in this case when her husband died the widow was unable to apply for this. I know

there is assistance through the Last Post Fund but I think it is little more complicated; it is not administered in the same way.

Dr. Ritchie: Mr. Chairman, I think Dr. Misener is quite familiar with the action we are taking in this regard. You are quite right that a patient has to die on strength to receive the benefits, but we are taking action and I would like Dr. Misener to speak to it if he will.

Dr. C. C. Misener (Director of Admission Services Department of Veterans Affairs): Mr. Chairman, the Minister has the authority to change the Veterans Burial Regulations so that a war veterans' allowance recipient wherever he dies in Canada would be eligible, subject to a means test, for consideration for a burial grant, just the same as if he dies on treatment strength in Canada today.

Mr. Chatterton: May I ask a supplementary? Does that apply to war veterans' allowance recipients only?

Dr. Misener: And to those under Part 11 of the Civilian War Pensions and Allowances Act.

Mr. Chatterton: It does not cover the case, for instance, which I raised last year as an example at the Veterans Committee, where a disability pensioner became seriously ill and was rushed to hospital. The ambulance made a mistake and instead of the veterans hospital took him to a different hospital, where he died, so he did not get burial expense paid. Will the change cover that case?

Dr. Misener: If a pensioner dies other than on our treatment strength, he can receive a burial grant under the Veterans' Burial Regulations if the Canadian Pension Commission subsequently rules that death was related to service.

Mr. Chatterton: Only if death is related to service; in other words, a pensionable condition.

Dr. Misener: That is right.

Mr. Chatterton: There is no change in that then?

Dr. Misener: No; no change in that.

Mr. Harley: Could I ask Dr. Misener one other question? You said that the Minister has authority. Does this necessitate a legislative change or is it something that can be done under regulations?

Dr. Misener: Yes, under the Veterans Burial Regulations.

Mr. Harley: Are you looking forward to this change being made in the near future?

Dr. Misener: Yes.

Mr. Harley: It could not be retroactive, so in this case we will have to ask the Last Post Fund whether they can be of assistance.

Mr. Chatterton: I am sorry, I was talking when you were giving the answer and I did not hear what it was. Would you mind giving me the answer again, please?

Dr. Misener: The Minister may make regulations under the Department of Veterans Affairs Act and he has asked for authority to make a war veterans' allowance recipient eligible for consideration of a burial grant if he dies anywhere in Canada, even though not on departmental treatment strength.

The Chairman: Dr. Harley?

Mr. Harley: I will wait until we get to Item No. 38.

The Chairman: You can carry on with Item No. 38. I called the three items at the same time.

Mr. Harley: I have just one question on Item No. 38. The estimate for Treatment and Related Allowances shows a decrease of \$120,000. What is the explanation for that?

Dr. Ritchie: Mr. Chairman, this is due to the decrease in the number of pensioners who are now receiving this allowance.

Mr. Harley: Thank you.

Mr. Chatterton: Mr. Chairman, what is the forecast of the requirement of beds for the next few years? Is the forecast for an increased requirement?

Dr. Ritchie: Mr. Chairman, that is a loaded question. I think departmentally we are trying to maintain a status quo in so far as the number of beds is concerned. Presumably there will be an increase in the number of war veterans' allowance recipients with the World War II veteran becoming eligible. This may happen or it may not, depending upon its relationship to his other benefits as a civilian. There will be another influence, and this is the measure of medical care which becomes effective, we presume, in July 1968. Therefore it is really impossible to forecast what the actual load will be; so we are endeavouring to maintain our present number of beds.

Mr. Chatterton: Can Dr. Ritchie give a rough estimate of the percentage of beds in our veterans hospitals which are occupied by

what might be called chronic or domiciliary care cases?

Dr. Ritchie: May I divide the chronic into the long term care and the domiciliary, or what some people are referring to now as residential care? I think one would find that almost a third of the patients are of the long-term type, and the number of people who are domiciliary now is reducing all the time, so that this represents about 20 per cent of the total patients in the institution.

Mr. Chatterton: Let me get that figure straight; one-third of the total beds are occupied by what you call long-term cases?

Dr. Ritchie: Now, I have to admit that I have no accurate figure of this.

Mr. Chatterton: No.

Dr. Ritchie: It is very difficult to estimate, because it would have to be done by a personal review of each individual patient and everybody has a different interpretation of when a person requires long term nursing care and when they only require institutional and residential care.

Mr. Chatterton: But in addition to the one-third you say another 20 per cent could be—

Dr. Ritchie: —could be residential care.

Mr. Chatterton: Another 20 per cent, over and above the one-third?

Dr. Ritchie: Yes.

Mr. Chatterton: I think at last year's Committee meetings we were given figures—I am going from memory—to show that the capital cost of construction of domiciliary care institutions and the operational cost is something like one-third of the cost in general hospitals—something of that order. Is the Department giving consideration to providing such special institutions in conjunction with our veterans hospitals? In other words, to free the beds of these cases, in our treatment hospitals, which we were told can be given better treatment at a third of the cost in institutions specifically designed for that purpose?

Dr. Ritchie: Mr. Chairman, we have an odd situation here, because we have a number of institutions which are obsolescent and require replacement. Our policy at the present time is to replace, wherever possible, with active treatment beds, using the obsolescent beds for chronic and domiciliary care. We are departing from this practice in Ste. Anne's, where we are building a chronic care wing to the present hospital to replace the obsolescent beds.

There will be 640 beds in the chronic care wing.

Mr. Chatterton: In other words, the intention, then, is to provide separate or different facilities for the classes requiring acute care and the chronic and domiciliary care cases.

Dr. Ritchie: We will use the less desirable beds for chronic care.

Mr. Chatterton: Dr. Ritchie, may I ask you to tell me what the situation is with regard to the Veterans Hospital in Victoria? There was a proposal, which was generally acceptable, that the armed forces would join with the Department to make a combined hospital with the addition of a new wing.

Dr. Ritchie: Yes, I am pleased to report that this joint project is still under consideration, but apparently the armed services wanted to explore the merit of building their own hospital in Victoria. Therefore, they had to prepare a comparative analysis of the two possibilities. This has been presented to them this month and I believe a decision will be reached. My colleagues in the armed services are in favour of a joint project.

Mr. Chatterton: May I ask what is the attitude of your Department?

Dr. Ritchie: We are in favour of it.

Mr. Chatterton: So it seems that this desirable joint effort may well come to pass.

Dr. Ritchie: We hope so.

Mr. Chatterton: Could you hazard a guess whether it would be within the next two or the next five years? I realize it would have to be a guess.

Dr. Ritchie: I imagine that a decision will be made this fall by the Department of National Defence on what course of action they will follow. If they do not proceed with a joint plan, we will have to institute our own plan for modernization and development of additional diagnostic facilities at Victoria.

Mr. Chatterton: Yes. If the plan falls through, you will use the old part of the hospital for the domiciliary and long-term care and provide new up-to-date facilities for the acute care?

Dr. Ritchie: No, I am sorry, we will simply modernize the existing active treatment facilities at Victoria.

Mr. Chatterton: Can you give me the occupancy rate in the Veterans Hospital in Victoria?

Dr. Ritchie: Just one moment.

Mr. Chatterton: A percentage is good enough.

Dr. Ritchie: This again is up in the eighties; it is 87 per cent.

Mr. Chatterton: Thank you. With regard to the figures on page 582, I realize you have explained that the reduction of the personnel is due to the transfer of the hospitals. Is there any significance to the fact that the number of people in the Medical Specialist class is reduced by 15, the number of personnel in the \$16,000 to \$18,000 increased from zero to 46, and in one or two other cases also there is a change in the number by way of a certain income category?

Dr. Ritchie: I do not think there is any real significance to this. At the present time we are not too concerned about the classification of the position. In the past year we have used a number of more senior positions for the employment of people in lower classes. In other words, we have a position not necessarily used in its present classification.

Sunnybrook, of course, has accounted for the loss of a number of medical specialist physicians; these are senior positions.

Mr. Chatterton: I was wondering why, for instance, the group in the \$6,000 to \$8,000 range was increased from 135 to 224. The group in the \$4,000 to \$6,000 range was increased as well. Is there any particular significance to this?

Dr. Ritchie: It is probable that general salary revisions has brought about this change.

Mr. Chatterton: I see. Are you having any difficulty in getting medical personnel on staff at the hospitals.

Dr. Ritchie: Most of our staff is employed on a part-time basis. We have a total of 160 full-time doctors and 875 part-time doctors.

Mr. Chatterton: These are what you call consultants.

Dr. Ritchie: These are the consultants, included in the figure of 160 full-time we have both the medical administrative group and the medical specialists in radiology and pathology, as well as some in the specialities. We are having difficulty in obtaining radiologists and pathologists. We have a number of vacancies that we cannot fill.

Mr. Chatterton: For consultants?

Dr. Ritchie: Yes.

Mr. Chatterton: Have you adopted the policy of engaging more consultants where they are available, generally speaking?

Dr. Ritchie: No, not more; there is no policy to increase the number employed.

Mr. Chatterton: I see.

(Translation)

Mr. Émard: I have a question to ask. May I ask it now, as I have to leave soon.

• (11:45 a.m.)

Mr. Chairman, I think we all agree on the value of specialization in all fields, and now especially in the medical field. I have been told that in a number of hospitals and in several industries the cost of education is paid for by the enterprises concerned. I am informed that in the Department of Veterans Affairs the situation is different. If, for example, a nurse wants to specialize in a certain field, there must be an immediate need for the specialization she wants to undertake. Your department accepts only a limited number of applicants for specialized courses. Personally, I feel that the rules should be broadened in scope to enable all the nurses and, in this case, the doctors, but certainly the nurses, to specialize in certain fields even in the absence of an immediate need for that special field. There should be an opportunity for these courses to be paid for as is done according to my information, in industry and in other hospitals.

[English]

Dr. Ritchie: Mr. Chairman, if I may I will reply to Mr. Émard in English because I could not do so completely in French.

As you have indicated, the Department has a limited program for the graduate education of nurses and the extended training of nursing orderlies. We hope to expand this program in the future so that people will receive training which will be appropriate to their employment in the Department.

You have suggested that we extend this to the general field of the requirements of the community for postgraduate training. I think we might find it difficult to justify the expenditure of public funds in a field in which we could not make use of this training and we have not attempted to do this up till now. We have arranged for postgraduate courses for nurses in psychiatry, operating-room technique, central supply and in any area where we can utilize the special services of this individual, but we have not extended this to

fields where this additional training will not be utilized by the Department.

(Translation)

Mr. Émard: I want to mention the case of one nurse in particular. Unfortunately I am not very familiar with the medical terms used. This nurse apparently took a course in a certain specialized field at Ste. Anne de Bellevue. When she applied for reimbursement, she was told that her fees could not be reimbursed because she had not been authorized to take the course but that other nurses had been, and that the number of students was limited.

It seems to me that in a case like that, where so few people are interested in pursuing their studies, those who are interested should be encouraged. Do you not think so?

[English]

Dr. Ritchie: Mr. Émard, we really do encourage people to take courses. There are certain limitations imposed on us by Treasury Board on the total number of people who can take training in a single course. It may have been because our quota for this particular course had been filled that the repayment of the fees to the particular applicant of whom you are aware was rejected. Certainly, if she were interested she would be given the opportunity to take this training, possibly at a later date and within another quota. She must have taken the training on her own and then sought reimbursement. If it was beyond our quota we could not do it, but we would certainly be prepared to send her on a course at a later date if it fitted in with the training program.

Mr. Webb: Mr. Chairman, could Dr. Ritchie tell us what the waiting list is at Sunnybrook Hospital?

Dr. Ritchie: I am not aware of any waiting list, Mr. Webb. Actually, we are rather pleased with the way things have proceeded at Sunnybrook Hospital. We expected difficulties far greater than those we encountered, and to my knowledge veterans are being admitted as required, according to their medical need.

There have been some delays in the admission of domiciliary or chronic care patients, where we have a limited number of beds available under the terms of the agreement; but the situation of this group remains unchanged from what it was previously, because we were still limited by the number of beds that we had available for them.

Mr. Webb: Could you tell me how many vacant beds there are in Sunnybrook Hospital?

Dr. Ritchie: I do not have a figure on the number of vacant beds.

Mr. Webb: It is really not important, but you will remember that last year there were a great many vacant beds and that we were told that these beds were vacant because of lack of staff. At that time the suggestion was made that probably practical nurses could be called in to take care of many of these patients who really do not need the services of a qualified RN. Has any action been taken on that?

Dr. Ritchie: Mr. Webb, when we were administering Sunnybrook Hospital we employed auxiliary nursing personnel to the maximum number that we could in relation to the number of professional staff available. This is limited by the number that you can actively use in a treatment program, and also by the number that are immediately available within the community.

I also believe that we had difficulty in recruiting nursing assistants because there was, again, a differential between the federal salary and the outside rate for this group.

In Sunnybrook Hospital at the present time they presumably have been able to meet outside wages because they are now in the local market.

I do have a return for April from Sunnybrook Hospital showing that there was a total of 1,374 beds filled. This means that they are only about 200 beds below their maximum rated capacity.

When one realizes that this institution is undergoing a complete transition and is planning for extensive modernization of its services I think they are doing an excellent job in getting it that full.

The Chairman: Mr. Matheson, is your question a supplementary one?

Mr. Webb: I have just one more question, Mr. Chairman.

Like Mr. Deachman, I also have had complaints about the waiting especially when a veteran living in a rural area is called into hospital. He receives notice that he has to report to the hospital at nine o'clock in the morning and eventually, at three or four o'clock in the afternoon, he sees a doctor.

Many of these patients travel by bus or train. As you know, neither service is very good now in many places. They are not even

very good from Ottawa to Toronto. Some of these veterans have to ask friends to drive them in by car and these people also have to sit around all day waiting for the patient to be attended to. Could something not be done, particularly for those patients who come from a distance?

If I want to go home tonight I have only once choice, and that is at midnight.

An hon. Member: There is no choice!

Mr. Webb: No, there is no choice.

The situation has become quite difficult. Many of the bus companies that applied for charters have now discontinued many of the services for which they applied when they appeared before the Board. This creates difficulty for many of our veterans. Some of them are ill, and it is quite tiring to sit in a hospital from nine o'clock in the morning until four in the afternoon. Could something not be done to expedite their appointments?

Dr. Ritchie: Mr. Chairman, I do not know just what further action the hospital can take other than have an appointment system whereby veterans can write to the hospital for applications which can be arranged. They could do this by telephone or by letter, and it might save them a great deal of inconvenience.

One factor still remaining is that if, because of his other commitments, the particular consultant is not available immediately the patient will still have to wait. This, however, is something, that just cannot be corrected.

Mr. Chatterton: May I suggest to Dr. Ritchie that if he finds a solution he pass it on to doctors in private practice!

The Chairman: Will you permit Mr. Matheson to ask a supplementary question?

Mr. Matheson: Supplementary to my friend Mr. Webb's question about the number of people in Sunnybrook Hospital, I think the answer that Dr. Ritchie was able to give was with respect to the month of April of this year.

Does Dr. Ritchie have available the comparable figures for our veterans' hospital in London, Ontario, which, as I understand it, is completely within the Department of Veterans Affairs and has not gone through this transition to which Sunnybrook Hospital has been subjected?

Dr. Ritchie: Mr. Chairman, Westminster Hospital, with a rated bed capacity of 1376,

has a 76 per cent occupancy, with a daily average strength of 1,051.

Mr. Matheson: Is it possible to have a breakdown between care and domiciliary care?

Dr. Ritchie: Oddly enough, I can give this for the non-departmental hospital, but not for our own. In Sunnybrook Hospital there are 874 active treatment patients, 193 chronic and 307 domiciliary. The percentage of active treatment patients in Westminster Hospital, excluding the psychiatric unit, is considerably lower than this.

Mr. Matheson: Thank you.

The Chairman: Have you finished now, Mr. Matheson?

Mr. Matheson: Yes, thank you.

Mr. Herridge: Mr. Charman, I wish to ask Dr. Ritchie a question for the information of veterans who live outside the Vancouver area. Would he mind explaining to the Committee what is the procedure at the present time with respect to those veterans who have to go to local hospitals; if they are chronic cases, how long they are usually kept in these hospitals; and what is the relationship between the treatment provided and the British Columbia hospital insurance services?

Dr. Ritchie: Mr. Chairman, I will attempt to field this question from Mr. Herridge. I am looking at Dr. Misener but he is not coming up with anything!

If a man in receipt of war veterans allowance elects to be treated at the local community hospital, and we have not interfered in any way, his hospitalization and the length of it are entirely dependent upon the medical judgment of the practitioner in that hospital.

Now, whether or not it is an insured service is up to the Hospital Services Commission, because they will only accept people for chronic care under certain conditions; they regulate this and make the determination. They do this in our hospitals, too. We have to present the cases to them and they review them.

• (12 noon)

Mr. Herridge: Mr. Chairman, I mentioned this for the information of these veterans and the Legion branches in particular who are interested in this question. There was a case last year and the year before of a veteran on war veterans' allowance who was in the local

hospital for some period and then they decided to send him down to Shaughnessy. He was there for some time and then they finally decided to send him back to his village. A week or so later it was necessary for him to go to the local hospital again. They kept him for a certain period and then sent him down to Shaughnessy again. How are those costs divided?

Dr. Ritchie: I assume that the Department accepted all the cost of transportation of the patient to and from his community. Because he was a war veterans' allowance recipient he would be entitled to this transportation. It does seem odd that the community hospital would discharge him to one of our own hospitals for continued care, but probably this is because we are prepared to accept him as a departmental patient and can carry him for a longer period than the community hospital can afford to do because of the demand for their beds.

Mr. Herridge: Thank you for that explanation. I was asked to ask this question because a number of veterans get rather confused about the procedures.

Dr. Ritchie: Your particular patient probably had an exacerbation of his condition which required his re-admittance to hospital after he was sent back to his home; that is, he had a recurring condition.

Mr. Herridge: Yes; I am not aware of all the circumstances. It was just brought to my attention. Dr. Ritchie, I see an item here "Corps of Commissionaires Services—\$804,000". How does the Department provide for those services? Do they enter into a contract with the Corps of Commissionaires?

Dr. Ritchie: This is a contract arrangement with the Corps of Commissionaires for a certain number of man-days service.

Mr. Herridge: The Department of Veterans Affairs hires only members of the Corps of Commissionaires for this type of service?

Dr. Ritchie: That is correct.

Mr. Herridge: Another item that interests me is the one for \$22,000 for Medical Education under Vote 30. Could you explain just what that is used for?

Dr. Ritchie: This money for medical education used to be considered under research which was a combined vote—Research and Education. We have taken it out because it is more properly a cost of operating an institution. This is the type of training that Mr.

Énard referred to in his question, Mr. Herridge; we send members of the staff off for post graduate training. We send them to conferences in order that they may keep up to date in the practice of their particular profession or technical skill.

Mr. Herridge: I see; it is applied to individual members of the staff.

Dr. Ritchie: Yes, members of the staff.

Mr. Herridge: Thank you. I have just one more question and it is with respect to this item of \$415,000 for Medical Research. Could you explain to the Committee in general terms what is being undertaken, in that respect?

Dr. Ritchie: Mr. Chairman, the research program is directed primarily to projects which will be of value to the Department of Veterans Affairs in the care of patients who are its responsibility. We started originally with a program which investigated the chronic diseases which might be more prevalent in veterans and with projects associated with aging. This had to be departed from, to some extent, in order to provide projects which would be of interest to members of the medical staff so that we could keep these people interested in working in our hospitals. We are now broadening the scope a little bit but we are trying, wherever possible, to keep these research projects directed towards the aging and the chronically ill.

Mr. Herridge: I am very pleased to hear that explanation, Mr. Chairman.

[*Translation*]

Mr. Thomas: Mr. Chairman, in the light of the questions raised by other members of the Committee, I found the reply to one of my own questions. My name is on the waiting list, and the reason for my asking a further question is that I did not fully understand one of the replies by a senior official of the department.

Last Monday, a veteran came to see me. Obviously, we should not all refer to particular cases, as our sittings would never end, but I want the information for future use. I quite understand that a patient must necessarily await his turn on the waiting list. And I assume the percentage of available beds is the same in all hospitals. This person complained that he went to Queen Mary Veterans Hospital at 11 o'clock in the morning and was not admitted until 3:45 in the afternoon. In the interval, I called the department and found that this veteran apparently suffers from a number of ailments. But this was not a rea-

son, it seemed to me, for not admitting him to the hospital. So I said: "Put him in today, and take him out tomorrow." It seems that out of the long list of ailments from which he suffered, the one about which he was complaining on that particular day, a kidney ailment, had not been included. I asked whether the illness had to be a direct result of his military service and was informed that this is so.

For my own information, does a veteran have to have a prior illness recorded on his file to be admitted to hospital?

[English]

Dr. Ritchie: Mr. Chairman, I think we all have to accept the fact that veterans' hospitals are hospitals first in the community, so that regardless of what condition a patient has, whether he be a veteran or not, if he reports to the hospital and is in urgent need of care this should—and, we hope, will—be provided.

If the veteran reports with a disability, or complaining of a condition for which he has no pension disability, or there is no indication in his documents that he has suffered from this before, there is no reason why he should not be examined if he is in need of acute care. Certainly, though, he would not necessarily be entitled to treatment.

This is another factor again, because veterans have to qualify for treatment of certain conditions. If he does not receive war veterans' allowance he does not necessarily qualify at the hospital for treatment. We have to reject a good number of patients who probably have a chronic disease but are not in immediate need of admission and refer them to their family doctor.

Our first objective, though, is to try to qualify the veteran in some way. If we are going to qualify him this means that we have to know what is wrong with him because a veteran may qualify, under certain economic factors, for treatment as a Section 13 patient under the Treatment Regulations. So he would be examined and the nature of the treatment required determined, and possibly the length of care required. In this way he may qualify for treatment, but there are still cases which do not qualify under any of the Treatment Regulations and these patients have to be referred to their family doctor. In most instances, though—I know at Queen Mary particularly—they have a policy whereby the man possibly is examined, given an initial prescription and then referred to his doctor.

Mr. Legault: Dr. Ritchie, with respect to the item referred to by Mr. Herridge concerning the Corps of. . .

Mr. Clancy: Mr. Chairman, I have a supplementary.

The Chairman: Mr. Legault, with you permit Mr. Clancy to ask a supplementary?

Mr. Legault: Yes.

Mr. Clancy: In other words, we are still working on pre-service conditions. The Board says, you had it before you joined the army, the air force or the navy.

Dr. Ritchie: We are not concerned about when he had a disability in so far as his treatment is concerned in a departmental institution. The primary concern is: Does the man need treatment? If he needs treatment, then he has entitlement either as a pensioner—if it is a pension disability—or because he receives the war veterans' allowance, or we may qualify him on economic grounds for a condition for which he has no entitlement.

Mr. Clancy: The basic thing is entitlement. So many times I have run into this pre-service condition. In other words, you had it before you joined the service. I think that should be wiped off the map.

Dr. Ritchie: This concerns pensions but not treatment.

Mr. Legault: Can Dr. Ritchie tell us whether the Corps of Commissionaires Services is negotiated through the Department of Defence Production as in all other cases?

Dr. Ritchie: Mr. Walsh tells me that it is so negotiated.

Mr. Legault: I have another question with respect to this. Is Mr. Walsh familiar with the rates of pay that apply to these Commissionaires?

Mr. J. E. Walsh (Director of Financial Management, Department of Veterans Affairs): The rates of pay vary from community to community and are based upon going rates of pay fixed by the Department of Labour, I believe, in the respective communities. Mr. Muirhead has a list here showing the most recent rates of which we had knowledge at the time the estimates were prepared. They range anywhere from slightly above \$1 in certain places down East to probably close to \$2 in certain other parts of the country.

Mr. Legault: So, there is an adjustment according to local conditions?

Mr. Walsh: Yes, and these rates are reviewed and adjusted from time to time, possibly as often as once a year.

Mr. Legault: Are they rated also according to the responsibility given to the Commissionaires in various situations?

Mr. Walsh: Posts are established that take into account whether the Commissionaire has a supervisory responsibility or not, and the rates do vary.

Mr. Legault: These rates are established by the Corps of Commissionaires and not by the Department?

Mr. Walsh: They are not established by the Department of Veterans Affairs. They are presumably established by some authority other than the Commission.

Mr. Legault: It would be the Corps of Commissionaires.

Mr. Walsh: At the moment I cannot say whether that is correct or not. I will try to get you an answer to that.

Mr. Herridge: Mr. Chairman, could the witness give illustrations of an area where \$1 is paid and one where \$2 is paid?

Mr. Muirhead: The lowest rate I have here is Lancaster Hospital, Lancaster, New Brunswick. At this time it was \$1.42 an hour for seven positions and \$1.59 for one position which, I presume, was supervisory. That is the lowest rate on the schedule.

Mr. Legault: Mr. Chairman, I have a supplementary. Does the Department give preference to veterans with some slight disability?

Mr. Muirhead: I am unable to answer that; it is up to the Corps.

Dr. Ritchie: It is entirely up to the Corps to assign people to these particular duties at the hospital. We have no rights of selection, they are assigned by the corps. We merely specify the nature of the duty to be performed and the amount of time that has to be given to it.

Mr. Herridge: Mr. Chairman, I have a supplementary. Could we have an illustration of the highest rates paid?

Dr. Ritchie: The highest rate paid is in Shaughnessy Hospital, where it is \$2.36. This is for one position which, presumably, is the Sergeant in charge of the Commissionaires.

Mr. Herridge: In British Columbia?

Dr. Ritchie: Yes, in British Columbia.

Mr. Harley: Are the rates really established? Is there any prevailing rate employed by the Department of Labour of the federal government?

Mr. Muirhead: I am not aware of any arrangement for setting these rates.

Mr. Clancy: Can a veteran on a 15, 18 or 20 per cent entitlement be docked because of his pension?

Mr. Harley: I am sorry. Would you repeat the question?

Mr. Clancy: Is a veteran who is on a pension of from 15 or 20 per cent—any percentage of pension—docked any of his pay because of his pension rights?

Mr. Muirhead: So you mean as a commissionaire?

Mr. Clancy: Yes.

Mr. Muirhead: We are not aware of any such arrangements. I cannot really reply to your question, Mr. Clancy. We just pay for the man's services and the terms of his employment, as far as salary is concerned, are negotiated with the Corps of Commissionaires.

Mr. Clancy: If a veteran in the Corps is drawing a 15 per cent pension, he draws the regular rate for the Corps in his area?

Mr. Muirhead: We pay the Corps the regular rate.

The Chairman: Does this complete the questioning on items 30, 35 and 38?

Mr. Chatterton: Roughly what percentage of patients in our veterans' hospitals are Section 13 cases?

Dr. Ritchie: It is less than 10 per cent.

Mr. Cowan: Mr. Chairman, in answer to a previous question I thought the witness said there were some national rates of pay that were lower than the provincial rates, which accounted for somebody getting a lower rate of pay in one hospital than they were getting in another local hospital? Was that not the answer that I heard?

Mr. Harley: I think they were referring to orderlies' salaries.

Mr. Cowan: They were referring to orderlies' salaries. We are told there is a national rate of pay. Why is there not a national rate of pay for these commissionaires who are engaged by the same department? Why do they go up and down according to locality? If the orderlies have to be satisfied with a national rate of pay why should not the Commissionaires be treated in the same way?

Mr. P. Pelletier (Deputy Minister, Department of Veterans Affairs): Mr. Chairman, in

reply to Mr. Cowan's question, I think there are two things we should remember here. The first is that the Corps of Commissionaires is employed by the federal service throughout many different departments. As you all know, this is not unique with the Department of Veterans Affairs. The second matter is that the so-called trade occupations throughout the Civil Service of Canada have traditionally been paid at a regional rate, whereas the so-called white collar and professional workers, up until very recently have all been paid at a national rate. At the present time the only exception to this rule to my knowledge is the nurses to which Dr. Ritchie referred, who are now paid on a quasi-regional rate of pay basis.

Mr. Cowan: It may be clear to you but it certainly is not clear to me. I thought you were speaking of orderlies. You have now brought in nurses.

Dr. Ritchie: Your question, Mr. Cowan, was why were we paying the Corps of Commissionaires on a regional rate. These are, in effect, prevailing rate employees as contrasted with public service employees.

Mr. Cowan: Well, in Toronto we pay the prevailing rate in Toronto; we do not pay the prevailing rate in St. John's, Newfoundland or Prince Rupert, British Columbia. I thought all employees were prevailing rate employees. Any of them which I have ever had anything to do with were prevailing rate employees. I am not talking about government, I am talking about business.

Dr. Ritchie: We are operating national, federal hospitals and we have adhered to the employment policies established by the Public Service Commission. They were responsible up until the present time for establishing salary rates for employees in all federal departments. This has now been transferred to Treasury Board, who will be responsible for negotiating rates of pay.

Mr. Clancy: I have a supplementary question, Mr. Chairman. Do you say the prevailing rates that are set by the provinces? In other words, if the minimum wage in Saskatchewan is so much, do you pay that minimum wage?

Dr. Ritchie: Mr. Clancy, are you referring to prevailing rate employees?

Mr. Clancy: That is correct, sir. If I hire somebody in Saskatchewan I have to pay a certain rate. This is laid down by provincial law.

Dr. Ritchie: The prevailing rate, though, is established through the Department of Labour and we pay whatever rate is established by that department. I presume they would have to adhere to the minimum wage law of each province.

The Chairman: Mr. Deachman, do you have a supplementary question?

Mr. Cowan: Why cannot Mr. Deachman wait until his turn comes? He can examine all he wishes on his own time and allow me to continue with my questioning.

Mr. Deachman: I am just according Mr. Cowan the same courtesy he accorded me. Is it not true, sir, that you do not employ Commissionaires. In fact you engage in a contract with the Corps of Commissionaires so in this case, you are not employers of individual labour, you are not responsible for those individuals at all. In the one case you are entering into a contract.

Dr. Ritchie: That is correct.

Mr. Deachman: You have to enter into a contract and this is negotiated. Is that not so?

Dr. Ritchie: Mr. Walsh tells me that this is so.

Mr. Deachman: This contract includes not only the wages of the men but also a percentage negotiated for the administrative purposes of the Corps of Commissionaires, and this is always negotiated. In British Columbia you do not negotiate with the Canadian Corps of Commissionaires, you negotiate with the British Columbia Corps of Commissionaires?

Dr. Ritchie: This is correct, yes.

The Chairman: Mr. Cowan, will you permit Mr. Harley to ask a supplementary question?

Mr. Harley: My question is not a supplementary.

The Chairman: Very well.

Mr. Cowan: In Vote 30, at the bottom of the page, you have overtime for 1967-68 as \$721,000 and last year it was \$800,000. I am not interested in the difference in the figures, but who gets overtime pay in the Department of Veterans Affairs? Do nurses get overtime pay for working on weekends or holidays?

Dr. Ritchie: Any nurse who is called in for the performance of special duties outside her normal working hours would be paid overtime.

Mr. Cowan: At what rate of pay? Is it time and a half, double time, two and a half or three times?

Dr. Ritchie: Overtime begins with time and a half. It then varies depending on whether or not it is on a day after a day of rest. This is a complicated matter. I am not really qualified to say exactly how the rates are extended but it has a relationship to whether it is after a day of rest.

Mr. Cowan: Can you say what the division on overtime would be between professional employees such as nurses and prevailing rate employees?

Dr. Ritchie: There is very little overtime for prevailing rate employees because this is not an area in which we have difficulty obtaining staff. Most of the overtime is related to nursing staff, x-ray technicians, lab technicians and some nursing orderlies.

Mr. Cowan: You also have night differential payment for operating services. By night differential do you not mean night and evening as well, or is there only the one differential?

Dr. Ritchie: There are two differentials, a night and an evening differential, Mr. Cowan.

Mr. Cowan: I congratulated the Minister of Veterans Affairs several years ago when the department put in a night differential rate of pay. Believe me, I was shocked—that is the only word I can use—when I learned what the rates of pay were for night differential and evening differential last year. What are the present differential rates of pay? This is now 1967. I hope we have moved into the modern age.

Dr. Ritchie: The rates payable are eight cents per hour for evening shift—

Mr. Cowan: Just a moment. I am writing this down because I cannot believe it, you see. Eight cents an hour for evening shift. Yes?

Dr. Ritchie: And 12 cents per hour on the night shift.

Mr. Cowan: Yes. That sounds terrific. What hours do you classify as evening hours and what do you classify as night hours?

Dr. Ritchie: Six p.m. to midnight—

Mr. Cowan: Six p.m. to midnight.

Dr. Ritchie: —is the evening shift.

Mr. Cowan: At eight cents an hour. That amounts to 48 cents a day.

Dr. Ritchie: Midnight to six a.m. is the night shift.

Mr. Cowan: At 12 cents an hour that amounts to 72 cents. Do you know any other labour employer in Canada who pays a differential for evening and night shifts on limited hours in shifts such as these?

Dr. Ritchie: I am not specifically aware what the rates are outside the department, Mr. Cowan, but I do know that there is—

Mr. Cowan: I spoke about divided hours of pay.

Dr. Ritchie: The principle of differential pay has been applied quite differently in different provinces. There is no set pattern as to what is considered as the night or evening differential. Indeed, in some areas I think there is only a differential for night duty. I am not familiar with the definition of the hours under which they would be entitled to differential pay.

Mr. Cowan: Did you hear the expert witness from Kapuskasing point out that the differential is to be paid from four in the afternoon until midnight on evening shifts?

Mr. Habel: No, I did not say exactly from 8 to 12, but those rates are paid night and evening as well.

Mr. Cowan: They split the shift into hours. Mr. Chairman, when we were in Europe with the Veterans Affairs Committee last summer I made inquiries into these differential rates of pay in Britain. I am sorry to have to report that it was there I found the only other employer I ever knew of who split the hours on the night and evening shifts into certain rates of pay. Do you use the same argument they use in England, that they consider day hours of work up until six p.m. and evening hours after six? They also consider day hours of work after six a.m. and night hours of work between midnight and six. Is that the reasoning behind the Canadian government scale as well?

Dr. Ritchie: Mr. Cowan, I cannot explain the reasoning behind the division between the two rates.

Mr. Cowan: Is there any?

Dr. Ritchie: Apparently there was. I think there has been a great deal of argument about which should have the higher differential. Therefore there is a lot to be said in favour of a single differential rate. I would be much

more in favour of a single differential rate than two rates.

Mr. Cowan: Are you a medical doctor, sir?

Dr. Ritchie: Yes.

Mr. Cowan: I asked you that question in view of your statement. In the province of Quebec they pay a differential rate of pay for evening and night and they do not split the hours. They pay it for every hour in the shift. They also pay a shift differential in Saskatchewan and they do not split the hours. In the province of Quebec the higher rate of differential goes to the evening hours as far as nurses are concerned because they find if they work from 3.30 p.m. to 11.30 p.m. it interferes in their social activities with young interns and doctors just getting established. It is more difficult to engage nurses for the evening shift than for the night shift. However, the federal government, not being in touch with labour conditions, under this arrangement would be paying a higher differential for the night shift and a lower differential for the evening shift. Are you aware that the hospital services in Quebec and Saskatchewan are paying a higher rate for the evening shift than for the day shift?

Dr. Ritchie: I am aware that there has been a difference, yes.

Mr. Cowan: And in the federal government we pay a higher differential for the night as compared to the evening shift. Are the interns in the War Veterans' Hospitals perhaps less attractive than the interns in the civil hospitals?

Mr. Harley: On the average the nurses are older there!

Mr. Cowan: I will let the medical services answer the nursing profession on that matter. I have never asked the nurses how old they were in any hospital I have ever been in. I want to thank you for giving us figures on that night differential. They are absolutely ridiculous and ludicrous, and a commission to investigate, or to handle, collective bargaining is long overdue when rates such as those are being paid in nursing.

• (12:30 p.m.)

I have a question on laundries. On Page 583 you have for Laundry, 1967-68, \$308,000 operating expenses. How many laundries do Department of Veterans Affairs hospitals operate in Canada?

Dr. Ritchie: We have laundries at Camp Hill Hospital, Lancaster; Ste. Foy Hospital; Ste. Anne's Hospital; Westminster Hospital, London, Ontario; Col. Belcher Hospital, Calgary; and Shaughnessy Hospital. That is the list.

Mr. Cowan: Have you been operating hospital laundries for many years, or is it a recent innovation?

Dr. Ritchie: We have been operating laundries for many years in both Westminster and Ste. Anne's.

Mr. Cowan: Are these laundries all operated by a permanent hospital staff, or by a contract staff brought in from outside to operate the laundry?

Dr. Ritchie: These are hospital employees.

Mr. Cowan: On the federal government payroll?

Dr. Ritchie: On the federal payroll.

Mr. Cowan: And they have been for years?

Dr. Ritchie: Yes.

Mr. Cowan: By commercial standards are these considered big or small laundries? How many pounds of laundry would they be processing per day?

Dr. Ritchie: I am sorry, I do not have the poundage figures for them, but just from my own knowledge I would say that the laundries at St. Anne's, Westminster Hospital and Shaughnessy Hospital are large.

Mr. Cowan: That is fine doctor. Thank you very much for the information you have given.

The Chairman: Mr. Fane?

Mr. Fane: May I ask Mr. Cowan what is the differential that is paid in the hospital of which he is the president, or manager, as compared to the present—?

Mr. Cowan: Mr. Chairman, Inasmuch as Mr. Fane is a representative of the Conservative Party in the House of Commons it gives me a great deal of pleasure to answer that question.

The hospital of which I was chairman for 14 years made a definite recommendation to the Ontario Hospital Services Commission, which has been under a Conservative government now for 24 consecutive years, and you will be interested to know that the hospital received an answer from the Ontario Hospital Services Commission pointing out that when

they established the rate of pay for nurses—which prevails throughout the metropolitan Toronto area—they did not make any differential rates of pay, but that the Northwestern General Hospital was welcome to cut the day rate of pay of the nurses so that the night rate would be higher; but that it could not be higher than the rate of pay that the Ontario Hospital Services Commission had set.

If you have ever heard an answer to a question on differential to equal that I wish you would let me have it. I can show you the letter. We can cut the day rate of pay so that our night rate of pay can be higher than the day rate. That is in the OHSC letter, over the signature of their chairman.

Mr. Fane: Do you realize that I come from Alberta?

Mr. Cowan: Yes, sir, I do. I knew you would not know about this.

Mr. Harley: May I just point out, Mr. Cowan, that the OHSC was not in existence all the time that you were chairman of the board. What did you pay before that?

Mr. Cowan: We were paying the prevailing rates of pay.

Mr. Harley: But you were not paying a differential.

Mr. Cowan: If it was necessary to hire a nurse, yes. We had special rates for . . .

The Chairman: I think we had better resume the questioning of the witness.

Mr. Harley: I would like to ask Dr. Ritchie one question on a matter that is not in the Estimates. I am referring to the prosthetic services, which have now been moved from the Department of Veterans Affairs to the Department of National Health and Welfare. I wondered if there had been any great complaint since the transfer of the service to that department took place?

Dr. Ritchie: No. We have received no complaints. We are getting satisfactory service through the Department of National Health and Welfare and I know that in some areas they have been able to extend this service to the community, so that civilians are beginning to participate in the benefits.

Mr. Harley: Thank you.

Mr. Cowan: I hope every person in the room heard that exchange. It is a wonderful service they are giving.

The Chairman: Are Votes 30, 35 and 38 carried?

Votes 30, 35 and 38 agreed to.

The Chairman: I would now like to thank Dr. Ritchie, Mr. Muirhead and Mr. Walsh.

Gentlemen, we will now come back to Item 1. Shall Item 1 carry?

Mr. Herridge: Mr. Chairman, I have one question to ask of the Deputy Minister. I have with me a copy of The Canada Gazette, Part II, Volume 101. It is dated May 10 and it deals with Order in Council P.C. 1967-784. It was adopted on the 20th day of April and in part it reads as follows:

His Excellency the Governor General in Council, on the recommendation of the Minister of Veterans Affairs, pursuant to section 6 of the Department of Veterans Affairs Act, is pleased to approve the Veterans Correspondence Courses Regulations, made by the Minister of Veterans Affairs on the 28th day of February, 1967.

His Excellency in Council is further pleased hereby to approve, effective January 1, 1968, the revocation of the Continuation of Educational Services Regulations approved by Order in Council P.C. 1954-1537 of 6th October, 1954, as amended.

Would the Deputy Minister mind explaining the basis for that Order in Council?

Mr. P. Pelletier (Deputy Minister, Department of Veterans Affairs): Mr. Herridge, with regard to this Order in Council, which I agree is rather cryptic, in its terms, quite briefly the background is that several years ago—I have forgotten the exact date—we took over these correspondence courses which were initially established by the Royal Canadian Legion and we have been managing these correspondence courses ever since.

A number of things have happened in recent years. In the first place, many of our courses, not to say most of them, have become obsolescent and some, indeed, obsolete. At the same time, the provincial governments have been refining and bringing their own courses up to date, and even those who did not have correspondence courses are now coming into this field so that there are excellent and up to date correspondence courses being offered which are equivalent to the kind of courses we offered. These courses are being provided by the various provincial departments of education. It would have cost us a great deal of

money—I do not have the figures at my fingertips—to bring our correspondence courses up to date and keep them up to date. Consequently, the purpose of the new regulations to which you have referred is simply to do away with the old correspondence courses and to enable us to buy—if indeed there is any payment involved because in many cases these provincial courses are free—these provincial correspondence courses for veterans.

Mr. Herridge: Thank you very much for the explanation.

The Chairman: Is Vote 1 carried?

Vote 1 agreed to.

The Chairman: This completes the Estimates of the Department of Veterans Affairs. May I now have a motion to authorize the Chairman to report the Estimates to the House?

Mr. Harley: I so move.

Mr. Habel: I second the motion.

Motion agreed to.

The Chairman: Because we did not have a subcommittee meeting on the report would it be agreeable to the Committee if I read the report to see if you agree with the way I wish to report the Estimates back to the House?

Some hon. Members: Agreed.

The Chairman: It reads:

Pursuant to its order of Reference from the House dated June 1, 1967, your Committee has made a thorough examination of the Main Estimates (1967-68) of the Department of Veterans Affairs, including Vote L115 in Loans, Investments and Advances, and has agreed to recommend same to the House for adoption.

Your Committee was most pleased with the high degree of efficiency and understanding which mark the administration of all Branches of the Department of Veterans Affairs. The Committee com-

mends the Minister, the Deputy Minister and the Officials of the Department for their co-operation and assistance and for the manner in which they supplied detailed answers to questions posed by members of the Committee.

Your Committee would greatly appreciate—

And I repeat that this was in our report last year but as this is a new Committee this year, although with the same Members I think it should be included.

—having the opportunity of examining the Wood's Report on the Work and Organization of the Canadian Pension Commission, after the said report has been published and tabled in the House.

Your Committee, while examining the Annual Report 1965-66 of the Department of Veterans Affairs, the Canadian Pension Commission and War Veterans Allowance Board, also plans to undergo a comparative study of all Veterans' benefits.

Do you agree to this report?

Some hon. Members: Agreed.

The Chairman: At this stage I wish to thank the Deputy Ministers and all the officers of the Department for their co-operation and also the manner, as it is said in the report, in which they have replied to our questions and for their attendance at our meeting. We hope to see them again when we look at other work of the department, such as the estimate report or the Woods Report.

Mr. Herridge: Mr. Chairman, I presume it is correct to say that the Committee and the staff all retired in an amiable frame of mind.

The Chairman: For the benefit of officials and Members, there will not be a meeting tomorrow morning as scheduled. This was mentioned in our subcommittee report which was adopted this week. Thank you very much, gentlemen.

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