



Canada. Parliament.  
House of Commons. J  
Standing Committee on 103  
Veterans Affairs, 1964/65. H7  
Minutes of proceedings  
and evidence. 1964/65

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HOUSE OF COMMONS  
Standing Committee  
on  
Veterans Affairs

INDEX

Anderson, T.D., Chairman. Canadian Pension Commission . . . . .	p.46-51
Black, C.F. Secretary. Dept. of Veterans Affairs . . . . .	p.50, p.70-1
Crawford, Dr. J.N.B. Assistant Deputy Minister of Veterans Affairs. . . . .	p.51-4 p.59-70
Cromb, W.T. Chairman of the War Veterans Allowance Board . . . . .	p.29-36
Cross, P.B. Deputy Chairman of the War Veterans Allowance Board. . . . .	p.37
Estimates of Department of Veterans Affairs (1964-65) . . . . .	p.1-94
Mace, F.T. Assistant Deputy Minister of Veterans Affairs. . . . .	p.16-23 p.43-46 p.90-1
Pawley, R.W. Director, Veterans' Land Act . . .	p.71-88
Pelletier, Paul. Deputy Minister of Veterans Affairs . . . . .	p.16-21 p.88-94
Report to the House. First. . . . .	p.5
Second . . . . .	p.39
Rider, E.J. Director, Veterans Welfare Services	p.21-9
Teillet, Hon. Roger. Minister of Veterans Affairs . . . . .	p.9-16



HOUSE OF COMMONS

Second Session—Twenty-sixth Parliament

1964

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STANDING COMMITTEE  
ON  
**VETERANS AFFAIRS**

*Chairman:* J. M. FORGIE, ESQ.

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MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1

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TUESDAY, APRIL 21, 1964

TUESDAY, SEPTEMBER 29, 1964

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ESTIMATES (1964-65) OF THE DEPARTMENT OF  
VETERANS AFFAIRS

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WITNESSES:

The Honourable Roger Teillet, Minister of Veterans Affairs; Mr. Paul Pelletier, Deputy Minister; F. T. Mace, Assistant Deputy Minister; E. J. Rider, Director, Veterans Welfare Services; W. T. Cromb, Chairman and P. B. Cross, Deputy Chairman of the War Veterans Allowance Board.

ROGER DUHAMEL, F.R.S.C.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1964

STANDING COMMITTEE ON VETERANS AFFAIRS

*Chairman:* J. M. Forgie, Esq.

*Vice-Chairman:* G. Laniel, Esq.

and Messrs.

Asselin (Richmond- Wolfe),	Harley,	McIntosh,
Cameron (High Park),	Herridge,	Millar,
Chatterton,	Honey,	Morison,
Clancy,	Howard,	O'Keefe,
Énard,	Kelly,	Otto,
Fane,	Kennedy,	Patterson,
Fleming (Okanagan- Revelstoke),	Latulippe,	Pennell,
Frenette,	Legault	Pilon,
Greene,	MacEwan,	Pugh,
Groos,	MacRae,	Rock,
Habel,	Madill,	Temple,
	Martin (Timmins),	Thomas,
	Matheson,	Webb,
		Weichel—40.

(Quorum 15)

Mr. Webb Replaced Mr. Nesbitt on Tuesday, April 28, 1964

Mr. Olson Replaced Mr. Patterson on Wednesday, May 13, 1964

Mr. Legault Replaced Mr. Rideout on Monday, July 13, 1964

Mr. Patterson replaced Mr. Olson on Monday, September 28, 1964

Marcel Roussin,  
*Clerk of the Committee.*

## ORDERS OF REFERENCE

HOUSE OF COMMONS,  
FRIDAY, April 10, 1964.

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

Messrs.

Asselin (Richmond- Wolfe),	Harley,	Millar,
Cameron (High Park),	Herridge,	Morison,
Chatterton,	Honey,	Nesbitt,
Clancy,	Howard,	O'Keefe,
Émard,	Kelly,	Otto,
Fane,	Kennedy,	Patterson,
Fleming (Okanagan- Revelstoke),	Laniel,	Pennell,
Forgie,	Latulippe,	Pilon,
Frenette,	MacEwan,	Pugh,
Greene,	MacRae,	Rideout,
Groos,	Madill,	Rock,
Habel,	Martin (Timmins),	Temple,
	Matheson,	Thomas,
	McIntosh,	Weichel—40.

(Quorum 15)

WEDNESDAY, March 11, 1964.

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

TUESDAY, April 21, 1964.

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

TUESDAY, April 28, 1964.

*Ordered*,—That the name of Mr. Webb be substituted for that of Mr. Nesbitt on the Standing Committee on Veterans Affairs.

WEDNESDAY, May 13, 1964

*Ordered*,—That the name of Mr. Olson be substituted for that of Mr. Patterson on the Standing Committee on Veterans Affairs.

## STANDING COMMITTEE

MONDAY, July 13, 1964

*Ordered*,—That the name of Mr. Legault be substituted for that of Mr. Rideout on the Standing Committee on Veterans Affairs.

TUESDAY, September 22, 1964

*Ordered*,—That the Items listed in the Main Estimates and the Supplementary Estimates (A) for 1964-65, 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.

MONDAY, September 28, 1964

*Ordered*,—That the name of Mr. Patterson be substituted for that of Mr. Olson on the Standing Committee on Veterans Affairs.

Attest.

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

REPORT TO THE HOUSE

APRIL 21, 1964

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

FIRST REPORT

Your Committee recommends:

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

Respectfully submitted,

J. M. FORGIE,  
*Chairman.*

(Concurred in on the same day.)



## MINUTES OF PROCEEDINGS

TUESDAY, April 21, 1964.

(1)

The Standing Committee on Veterans Affairs met at 11.30 o'clock a.m. this day, for organization purposes.

*Members present:* Messrs. Asselin (*Richmond-Wolfe*), Clancy, Emard, Fane, Fleming (*Okanagan-Revelstoke*), Forgie, Habel, Harley, Herridge, Kennedy, Laniel, MacEwan, MacRae, Madill, McIntosh, O'Keefe, Patterson, Pennell, Pilon, Rideout, Rock, Temple—(22).

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

Mr. Pilon moved, seconded by Mr. Rideout, that Mr. Forgie be elected Chairman of the Committee.

Thereon Mr. McIntosh, seconded by Mr. Asselin (*Richmond-Wolfe*), moved that the nominations be now closed.

Thereupon Mr. Forgie was declared duly elected as Chairman. On taking the Chair, the Chairman thanked the Committee for the honour conferred on him.

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

*Resolved*,—That Mr. Laniel be Vice-Chairman of the Committee.

On motion of Mr. Rideout, seconded by Mr. Harley,

*Resolved*,—That the Committee seek permission to print from day to day its Minutes of Proceedings and Evidence.

On motion of Mr. Rideout, seconded by Mr. Harley,

*Resolved*,—That the Committee seek permission to print from day to day 1,000 copies in English and 500 copies in French of its Minutes of Proceedings and Evidence.

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

*Resolved*,—That the Committee seek permission to sit while the House is sitting.

On motion of Mr. Rock, seconded by Mr. Emard,

*Resolved*,—That the Quorum of this Committee be reduced from 15 to 10 members.

On motion of Mr. Rideout, seconded by Mr. Asselin (*Richmond-Wolfe*),

*Resolved*,—That a Subcommittee on Agenda and Procedure, comprised of the Chairman and six other members of the Committee designated by the Chairman, be appointed.

At 11.45 o'clock a.m., Mr. MacRae moved, seconded by Mr. Harley, that the Committee adjourn to the call of the Chair.

Maxime Guitard,  
*Acting Clerk of the Committee.*

TUESDAY, September 29, 1964.

(2)

The Standing Committee on Veterans Affairs met at 10.05 a.m. this day. The Chairman, Mr. J. M. Forgie, presided.

*Members present:* Messrs. Chatterton, Clancy, Fane, Fleming (*Okanagan-Revelstoke*), Forgie, Habel, Harley, Herridge, Kennedy, Laniel, Latulippe, Legault, MacEwan, MacRae, Madill, McIntosh, O'Keefe, Otto, Patterson, Pilon and Rock—(21).

*In attendance:* From the Department of Veterans Affairs: Honourable Roger Teillet, Minister; Mr. Paul Pelletier, Deputy Minister; Mr. F. T. Mace, Assistant Deputy Minister; Dr. J. N. Crawford, Assistant Deputy Minister (Treatment) and Director General, Treatment Services; Mr. T. T. Taylor, Director, Legal Services; Mr. P. E. Reynolds, Chief Pensions Advocate; J. E. Walsh, Director, Finance, Purchasing and Stores; E. J. Rider, Director, Veterans Welfare Services; W. Strojich, Senior Administrative Officer, Veterans Land Administration, C. F. Black, Departmental Secretary; G. L. Mann, Chief, Rehabilitation, Veterans Welfare Services; and C. S. T. Tubb, Executive Assistant to Director, Veterans Welfare Services; from *Canadian Pension Commission*: Mr. T. D. Anderson, Chairman; and Mr. L. A. Mutch, Deputy Chairman; from *War Veterans Allowance Board*: Mr. W. T. Cromb, Chairman; and Mr. P. B. Cross, Deputy Chairman.

The Clerk read the Orders of Reference dated September 22 in English and in French.

The Chairman read the first report of the Sub-Committee on Agenda and Procedure which was adopted on the motion of Mr. Laniel, seconded by Mr. MacRae, with one correction as suggested by Mr. Herridge.

The Chairman then introduced the Minister, who made a statement on various items in the Estimates of his Department. He introduced officials of his Department.

The Minister was examined. The Chairman called Vote 1—*Departmental Administration*, which was discussed and allowed to stand.

Votes 5 and 10 were also called and considered by the Committee.

Messrs. Pelletier, Mace, Rider, Cromb and Cross were questioned at length by the Committee.

Mr. Cromb placed before the Committee two Tables showing the numbers of recipients of Civilian War and War Veterans Allowances, and it was agreed that they be reproduced as *Appendices "A" and "B"*.

(See today's proceedings).

At 12.25 p.m., the examination of the witnesses continuing, the meeting was adjourned until Thursday, October 1 at 10.00 a.m.

Marcel Roussin,  
Clerk of the Committee.

## EVIDENCE

TUESDAY, September 29, 1964.

The CHAIRMAN: Gentleman, we have a quorum. First of all, I would like the Clerk to read the order of reference of September 22, referring the main and supplementary estimates of the Department of Veterans Affairs to this committee.

### The CLERK OF THE COMMITTEE

Ordered that the items listed in the main estimates and the supplementary estimates (A) for 1964-65, 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 moneys.

The CHAIRMAN: Gentlemen, I would like to present the first report of the subcommittee. This committee met yesterday afternoon:

### Sub-committee on agenda and procedure

The sub-committee on agenda and procedure comprises the following members: Messrs. Groos, Herridge, McIntosh, O'Keefe, Patterson and Laniel.

The sub-committee met on September 28th, and has agreed to report as follows:

1. The committee will undertake to hear the minister of veterans affairs and deal with the estimates, and decide later on other matters.

2. The committee will meet on the following dates:

Tuesday, September 29, 1964 at 10.00 a.m.

Thursday, October 1, 1964 at 10.00 a.m.

Tuesday, October 6, 1964 at 10.00 a.m., and

Thursday, October 8, 1964 at 10.00 a.m.

Would someone move the adoption of this report.

Mr. LANIEL: I move that the report be adopted.

Mr. MACRAE: I second the motion.

Mr. HERRIDGE: Mr. Chairman, I moved that motion and I note that there is one inaccuracy in it. I did not use the word "undertake". That sounds like a contract. What I said was that we would be looking forward to hearing the Minister of Veterans Affairs.

The CHAIRMAN: You would like to substitute another word for the word "undertake"?

Mr. HERRIDGE: Yes. I said: "look forward to hearing the minister". The way it reads now it sounds like a contract.

The CHAIRMAN: Gentlemen, at this time it gives me great pleasure to call upon the minister, who will speak to you at this time.

Hon. ROGER J. TEILLET (*Minister of Veterans Affairs*): Mr. Chairman and members of the committee, with Mr. Herridge as sharp as he is this morning I am glad I am not going to discuss the Columbia river treaty.

Mr. HERRIDGE: You had better not.

Mr. PATTERSON: Mr. Chairman, I think it would be as well if the minister was seated.

The CHAIRMAN: Yes.

Mr. TEILLET: Gentlemen, I am not going to make a very long speech to you this morning. I know this always has been the case. I have a cabinet meeting at 10 o'clock this morning but I do not mind being a little late for it.

First of all, may I say how much I welcome this opportunity of meeting with you this morning and telling you to what extent this standing committee of veterans affairs has been helpful and of value to the department. These meetings are of great value to the department because of their interest and the attitude taken in dealing with veterans affairs. I think I said last year, when we first met—and I had taken this from the text of an introductory speech of a previous minister of another government and another party—that this is one committee where you have managed to do your work with a minimum of political—in other words, partisan—consideration. Your interest has been the welfare of the veterans of Canada, and I certainly want to compliment this committee on their attitude during the past year. I am sure you will carry on in that spirit.

I understand you will be considering the estimates and, of course, during this consideration, as usual, I am sure that you will find the officers of the department most co-operative. They will give you every assistance they can. While I will not perhaps be spending too much time with you I want to assure you at this time that any time my presence might be helpful and you require it I will be only too glad to attend.

Perhaps I should report to you that our work in preparing legislation for this session is nearing completion and we will be introducing legislation in the house in the very near future, certainly well before the end of this year. This legislation will cover a large number of items. It may not cover all of the items that we would like to see introduced at this time and, perhaps, certain legislation which others would like to see will not be introduced. But, we have spent a great deal of time with the officials of the department looking through the representations of the various veterans organizations throughout Canada, the resolutions at their annual meeting, the annual meeting of the Royal Canadian Legion, your own recommendations and, as well, I am sure, the recommendations that I and the officials have received from various members of parliament and interested individuals across the country. We have tried to do as good a job as we could on that and we hope to be able to present it to the house in the not too distant future.

Mr. Chairman, I do not know what more I can add this morning that would be useful to the committee. Perhaps I should conclude by presenting to you the officials of the department and the Canadian Pension Commission who are here this morning to await your deliberations. I would start with the deputy minister, Mr. Paul Pelletier, whom I am sure you have met before, and the assistant deputy minister, Mr. Mace. Then we have the assistant deputy minister in charge of treatment services, Dr. Crawford; Mr. Taylor, director, legal services; Mr. Reynolds, chief pensions advocate; Mr. Walsh, director, finance, purchasing and stores; Mr. Rider, director, veterans welfare services; Mr. Strojich, senior administrative officer, veterans land administration; Mr. Pawley is not here this morning as he is attending a meeting of the directors across the country in Montreal; Mr. Black, departmental secretary. Then, from the Canadian Pension Commission we have Mr. Anderson, the chairman, and Mr. Mutch, the deputy chairman. From the war veterans allowance board we have Mr. Cromb, the chairman, and Mr. Cross, the deputy chairman. Mr. Mann, chief rehabilitation, veterans welfare services is present as well as Mr. Tubb, chief social welfare services.

That is all I have to say at this time, unless you have certain questions to put to me.

The CHAIRMAN:

Vote 1 Departmental Administration, \$6,491,400.

Mr. CHATTERTON: Mr. Chairman, could we ask the minister one or two questions?

Mr. Teillet, can you say whether the proposed legislation will be referred to this committee?

Mr. TEILLET: That is a question which is a little difficult for me to answer at this time. There will be legislation which, of course, will affect money matters, and then it will be a matter of procedure. We likely will have to use the supplementary estimates to deal with these matters. These are some of the conclusions which have not been tidied up yet. I really cannot answer this question at this time.

Mr. McINTOSH: Mr. Teillet, can you tell us if there is going to be any change in the War Veterans Allowance Act to look after the 365 days requirement? You have said you are going to bring your legislation before the house in the not too distant future. However, that does not mean too much. What is the not too distant future?

Mr. TEILLET: Well, as I indicated in the house, I would still hope to have this before the house during the coming month. This is not a definite commitment but I will do my best to try to get it into the house before the end of October. This is my objective. It may be that it might run into November, but it will be done in the not too distant future. It will be done before the end of the year.

Mr. McINTOSH: I, as well as other members of parliament, am receiving many letters from the veterans in respect of increases in pensions, war veterans allowance and so on, and in order to answer these questions intelligently could you give us any information other than saying we have to wait until November 1.

Mr. TEILLET: I hope you will appreciate my position in this respect. I have not finalized yet the representations and until I have them from the cabinet I am not in a position to answer specifically in respect of that question.

Mr. McINTOSH: To follow that up, I think it is the intention of the official opposition and perhaps others to put your estimates through as soon as possible if we can get the proper information. However, if you are unable to give it to us at the present time perhaps we will have to go into greater detail on these estimates. If you are concerned in getting it through the committee in a hurry it would be helpful if you could give us more definite information. What you have said is rather indefinite.

Mr. HERRIDGE: Without being specific could you advise the committee that our realization will equal our anticipation?

Mr. TEILLET: I would hesitate to go quite that far. But, I would say that I would hope that when legislation comes down, and in dealing with W.V.A. rates and pension rates, there would be general satisfaction from members of parliament. Now, I do not know, Mr. McIntosh, whether or not I have answered your question satisfactorily. I think I have in an oblique way. You will appreciate my position. I am unable to give a more definite answer until I have final approval, the final legislation from cabinet, and until that time it would be quite improper for me to tell you what I am actually recommending at this time. But, I would hope that when the recommendation comes from cabinet it will be to the general satisfaction of the members.

Mr. CHATTERTON: Can you say whether you hope to make amendments to the Veterans Land Act?

Mr. TEILLET: Yes.

Mr. McINTOSH: And, to the War Veterans Allowance Act?

Mr. TEILLET: Yes.

Mr. McINTOSH: And, increases in pension?

Mr. TEILLET: I wish you would put that question in a different way so that I could answer it in the affirmative.

Mr. McINTOSH: All right, amendments?

Mr. TEILLET: Yes.

Mr. HERRIDGE: And, other legislation?

Mr. TEILLET: Yes. I hope, Mr. McIntosh, you appreciate that I am trying to be as helpful as I can, and I do hope that this gives you the answers you wanted.

Mr. McINTOSH: I hope you feel we are trying to be helpful too.

Mr. TEILLET: I am sure you are and I accept it.

Mr. CHATTERTON: Could you say, Mr. Teillet, when the 1963-64 annual report will be submitted?

Mr. TEILLET: I understand it is now at the printers but it may be some time in November before we receive it.

Mr. CHATTERTON: It would be helpful in this discussion of the estimates.

Mr. TEILLET: I am afraid it will not be available at least until some time later in November, but it is not at the printers.

The CHAIRMAN: Are there any more questions, gentlemen?

Mr. McINTOSH: We have some but I do not think we will get an answer to them.

Mr. TEILLET: Well, give it a try.

Mr. CHATTERTON: Is the minister not proposing to make a statement with regard to the treatment services?

Mr. TEILLET: Yes, perhaps I overlooked that. The situation, as I explained when I made the statement to the house last March and I think during the consideration of one of the supply motions later on, is as I have indicated. It is difficult to make an over-all statement that would apply to all our hospitals across the country because there are really no two alike. As you are aware, we had hoped to conclude arrangements with the provincial authorities of Alberta vis-à-vis the Colonel Belcher hospital. For some reason which I do not understand this has not taken place, which leaves us with a problem with this hospital with which we have to cope in some other manner.

In the case of Edmonton we have entered into an agreement with the province of Alberta to transfer the government house to the province because they wish to use it for a centennial project.

Near the University of Alberta there will be constructed a 150 bed domiciliary care institution which will be turned over to us for our veterans who are now occupying the Wells pavilion. The construction should begin very shortly so that that transfer will take place probably some time in the latter part of the next year, but this building which will be built by the province of Alberta with some financial assistance from the department will then be turned over to our department for our use as long as we have need of it. Therefore, there is no change in the operational control of domiciliary care and domestic type care of the veteran patient.

The other change that has occurred is the change in the Ridgewood health centre in New Brunswick where we are making an arrangement with the compensation board of that province for them to operate this and give us use of enough space so as to improve our rehabilitation facilities in that area.

You know that we are making arrangements with the paraplegics to come into the Sunnybrook area. You also know that we have entered into an arrangement with the Wellesley hospital people for arthritic treatment. I believe Dr. Crawford could correct me if I am wrong but I think there are two wards, 48 beds, used for this arthritic unit at Sunnybrook.

That is the extent of the report I can give you at this stage. There are no other changes at all beyond this in the other provinces.

We are looking at the situation in Ste. Anne de Bellevue in Montreal with the hope of the reconstruction of that institution because, as you know, it is a pretty old one. There again we have not taken a final decision on that at the moment. We are still hoping that in those areas which give us some difficulty we might be able to make the kind of arrangement which would safeguard our treatment standards.

Mr. McINTOSH: What are those areas you refer to?

Mr. TEILLET: I hesitate to name them because this may have a rather bad effect and it does mean singling out certain institutions apart from others. For that reason I have always refrained from suggesting that this one is doing this and the other one is not.

Mr. McINTOSH: How many are under consideration?

Mr. TEILLET: At the moment there are only two under consideration.

Mr. McINTOSH: There are two others that you have not mentioned?

Mr. TEILLET: Yes, and I have no idea what the results of this might be; it is at a very preliminary stage.

Mr. CHATTERTON: Could the minister say whether the local veteran organizations will be given a chance to look at the agreement with regard to Ridgewood?

Mr. TEILLET: This agreement with Ridgewood is just about concluded, but at all times officials in provincial command are made completely aware of the talks and negotiations that are going on.

Mr. CHATTERTON: Can the minister say whether consideration is being given to the construction of domiciliary care institutions at other centres?

Mr. TEILLET: Some consideration is being given to that but as yet there have been no really firm conclusions. This is a pretty difficult area, as I think you will appreciate, in that there is a general shortage of this kind of accommodation throughout the country. It may be that, as we think, we were helpful in inspiring this kind of thing in Edmonton. If the circumstances were proper in other areas we think it would be a logical and reasonable approach to this problem.

Mr. CHATTERTON: Can the minister say whether consideration has been given to increasing the number of doctors who became consultants in these veterans' institutions?

Mr. TEILLET: I am sure Dr. Crawford could answer this as he has given day and night consideration to this question with only partial success. What is happening is that there is a general shortage throughout the country and we are being hit first. This is a national consideration and certainly anywhere we can be helpful in assisting in this development within our own authority I think we would want to do all we can, and certainly wherever we have an opportunity to do anything in order to bring within our institution the kind of people we want everything is being done that can be done.

The CHAIRMAN: Are there any further questions, gentlemen?

Mr. PATTERSON: Mr. Chairman, I am not sure whether this is the place to raise this question but I would like to know whether the department has

had any specific complaints from the Shaughnessy hospital in Vancouver regarding the situation with respect to orderlies and their working conditions?

Mr. TEILLET: Perhaps I should answer that in this way. I have received one or two complaints, and I am speaking from memory now, and if my memory serves me right investigation has proved them to be unfounded. If I might suggest this it might be advisable for Dr. Crawford to answer this question as he is in a much better position to speak on this than I am. He has a much closer knowledge of the situation than I have. Would that be satisfactory to you?

Mr. PATTERSON: Yes, that would be fine.

Mr. TEILLET: I think I have to admit readily that all these gentlemen here know much more about their departments than I could possibly know.

Mr. HERRIDGE: I suggest we would be well advised to question the officials in charge of each branch as the estimates come before us. I do not expect the minister to know the details of all the operations.

Mr. TEILLET: May I be excused now and may I express my thanks for your courtesy this morning? If there is any further information or help that I can give you I will be glad to do it, of course.

Mr. MCINTOSH: I have one further question, Mr. Teillet. Is there any proposed legislation for any branch of your department that you have not touched on that you anticipate putting before the house?

Mr. TEILLET: There will be just one, the army benevolent fund which will have to be adjusted. That one comes to my mind readily. It deals with the interest rate on the army benevolent fund. This is an example. I trust I have not overlooked any of the others, but there will be things of this sort, and this is one of them.

Mr. CHATTERTON: May I ask one more question? Could the minister say whether consideration has been given to the implementation of the Glassco commission recommendations in so far as your department is concerned?

Mr. TEILLET: With respect to the Glassco commission, if we are excluding the section on treatment services and the manner of their recommendation, as you know we have had in the department, as a result of the Glassco commission, a team of consultants with a view to reorganizing the administration of the department. Again, I think that perhaps it might be helpful if Mr. Pelletier or Mr. Mace or Mr. Black, all of whom are much more knowledgeable about what has been done in this field, could answer this question. I think those people have completed their work, if I am not mistaken, and we now have the report on hand. I have only gone through it very briefly as I have only had it for a short while.

Mr. PATTERSON: Mr. Chairman, in the course of the visit of the defence committee to Europe last year we attended a luncheon and had the opportunity to sit beside a German gentleman who was the representative of the veterans' ombudsman in Germany. He was outlining the work that should be done in that particular connection. I am wondering whether any thought has been given to such an institution here. I know I have had a great many cases brought to my attention with regard to pensions and decisions in respect of the Pension Commission, and so on. I think there would be room for such an office to deal with these particular problems.

Mr. TEILLET: I think I should say to you there are two specific institutions within the department, and when I use the term institution here probably it may not be the proper term. You have two institutions, the pensions advocate—that is the veterans bureau—and the welfare services. My experience with the department now goes back a few months and perhaps I can speak with

a little more authority than I could have a year ago. I think I can say that each one of the officials and clerks in the department considers himself to be a defender of the veteran. So far as I know, each of these individuals is himself a veteran and is interested in the welfare of the veteran. I believe they will bend backwards to make sure that the veteran receives everything to which he is entitled or needs in order to carry out as useful a life as possible.

I have been inspired by the attitude generally that exists throughout the department. Since I last met with you I have had an opportunity to visit every one of the district offices throughout the country, and I think I have visited all but one hospital. I am satisfied the attitude of these people is such that they will do everything in their power to make sure that the rights of the veterans are protected and that everything which can be done for the veteran is being done.

You will appreciate there are very, very difficult cases and we all are aware of those because we receive the communications first whenever anything is unsatisfactory from the veterans' side. However, even in those cases there is the opportunity to come back two or three different times. I think you will know that in each case a very thorough investigation is carried out.

I should take this occasion to do more directly what I am doing rather obliquely; that is, to pay tribute to the staff, and I mean all of the staff, of this department and the Pension Commission for the manner in which they are carrying out their work.

Mr. HERRIDGE: Mr. Teillet, I would like to support you in that and say that this is one department of government where an ombudsman is not indicated.

Mr. FANE: Strange as it may seem, Mr. Chairman, my friend from Kootenay West here and I are in whole hearted agreement on that. I have found the Department of Veterans Affairs is very, very good.

Mr. McINTOSH: I hope you realize, Mr. Teillet, there is a conflict of opinion here, too.

Mr. TEILLET: I suppose this underlines the very humanity of the department.

Mr. PATTERSON: Perhaps this is because I am not a veteran, but I would not concur altogether in what has been said with reference to the various decisions which have been handed down.

I think possibly there is too strict adherence to some of the regulations which are laid down. Perhaps it is the regulations which have to be changed.

Mr. TEILLET: I do not think the Auditor General really would agree with you. If you look at this report every year, I believe you will see that we get our knuckles rapped. I do consider at times that the regulations are stretched to the point where it bothers me. However, so long as I feel I can stand up in the House of Commons and say this was done on humanitarian grounds, I do not feel I will be hit too hard for it. I certainly am not going to interfere. I think the truth of the matter, on examination, is that every advantage is taken of the regulations in order to give the veteran as much of a break as possible. I think that would be true right throughout the department.

Mr. FLEMING (*Okanagan-Revelstoke*): Would the minister tell us what are his intentions with regard to the recommendations of this committee in its last report?

Mr. TEILLET: As I said in my opening remarks, I appreciate the recommendations of the committee and while preparing legislative amendments and adjustments of what I will call generally the veterans charter, to use an overall expression, these recommendations have been most helpful. I have a feeling that when the report comes out in the House of Commons there will be general

satisfaction with it. I would hesitate to say that it will be completely satisfactory; that perhaps would be carrying things a little too far.

Mr. FLEMING (*Okanagan-Revelstoke*): Can the minister give us any idea when he anticipates being in a position to advise the house of whatever planned amendments and changes may be introduced?

Mr. TELLET: As I stated a little earlier in answer to that same question, it is my hope that I might be able to do this before the end of this month, but certainly in the very near future. I would not want to make this as a firm commitment, because I might be forced to go into the month of November. However, my objective is to do this before the end of October.

Mr. FLEMING (*Okanagan-Revelstoke*): At that time we will then see what decisions have been reached with regard to the suggestions made by this committee at its last sittings.

Mr. TELLET: I think perhaps that is the proper way of putting it.

The CHAIRMAN: Gentlemen, I would like to thank the minister for coming here this morning and explaining these matters to us.

Mr. TELLET: Thank you very much. I have to go to another meeting at this time.

The CHAIRMAN: Item 1 will stand. There may be questions on this item.

Mr. MACRAE: May I ask the deputy minister whether the total number of employees in the Department of Veterans Affairs was larger or smaller at the end of the last fiscal year compared to previous fiscal years?

Mr. PAUL PELLETIER (*Deputy Minister, Department of Veterans Affairs*): The trend is going down. I will ask Mr. Mace to ascertain exactly what it is.

Mr. MACRAE: It probably will go down for a few years and as the second world war veterans require more services, then the trend will go up again.

Mr. PELLETIER: That is true, but only in certain areas. For example, the Veterans' Land Act is reducing and is expected to continue to reduce, while it is not inconceivable that welfare services may increase as the world war II load increases.

Mr. F. T. MACE (*Assistant Deputy Minister, Department of Veterans Affairs*): Do you wish the actual figures?

Mr. MACRAE: Yes.

Mr. MACE: From a purely establishment point of view, our estimates provided in 1963-64 for 14,329 positions and the estimates which are before you provide for 14,321. There is a very small change of eight. You should keep in mind that this is establishment, the number of positions we have on our establishment. Actually, at the end of June, 1964, which is the latest figure I have, we had only 13,103 employees. There are quite a number of vacant positions.

Mr. MCINTOSH: What is the reason for the unfilled vacancies? Is it because you cannot get the proper people to fill them?

Mr. MACE: Not necessarily. There is quite a turnover of staff particularly in the institutions; and while the figures I gave you first were for the ceilings, you are never up to your ceilings because somebody may leave for example in order to get married, and there will be a lapse of time before you get a replacement.

Mr. PELLETIER: In addition to that, in such classes as nurses, at certain institutions we have difficulty; in fact we cannot fill our establishment.

Mr. MACRAE: Thank you.

Mr. HERRIDGE: I wonder if the deputy minister could tell us what reductions have taken place in the veterans land administration staff, and describe

to the committee what work is being done by the veterans land administration for the Farm Credit Corporation?

Mr. MACE: I think the establishment for the Veterans Land Act last year and this year is identical, with 790 positions. The actual number of people employed as of June of this year was 647 as opposed to a year ago when it was 664. So there has been an effective reduction of only 17 employees; but the actual employed staff is considerably below their establishment.

In so far as the Farm Credit Corporation is concerned, perhaps Mr. Strojich would speak to it.

Mr. W. STROJICH (*Senior Administrative Officer, Veterans Land Administration*): We are doing no work for the Farm Credit Corporation at the present time. The arrangement we had for co-operative work started at the time the Farm Credit Corporation was set up, when we had our field men strategically located across Canada, and when the Farm Credit Corporation used our staff to do their work, while we used their staff to do our work. But this arrangement was terminated in 1962 and at the present time while there is friendly co-operation between the staffs, yet we do no work on an assignment basis or otherwise for the Farm Credit Corporation; and neither does the Farm Credit Corporation do work for us.

Let me illustrate it this way: quite often the offices are adjacent to each other. A veteran may come by and our man may happen to be in the field, whereupon the Farm Credit Corporation will handle it. He may have been a V.L.A. man at one time; or quite often the Farm Credit Corporation will provide information to the veteran who is inquiring, and similarly the Veterans Land Act people provide information about Farm Credit Corporation activities.

Mr. KENNEDY: Is there still not some active work done in the appraisal field for other departments?

Mr. STROJICH: Yes; the V.L.A. does considerable work on an assignment basis for other departments. We have a staff of highly qualified appraisers, and we do work for such departments on an assignment basis as the Department of National Revenue, some work for the Department of National Defence, and quite a bit for the crown assets corporation, for example; and we have done it for the Department of Public Works, and for a very large number of other departments on an assignment basis. Some work has been very detailed, requiring highly skilled and qualified appraisers.

Mr. HERRIDGE: What credit do you give to the other departments for your expenditure on these assignments?

Mr. STROJICH: We get a very good thank you note, and they pay our travelling expenses. But actually we shall be re-regularizing this work in accordance with the recommendations of the Glassco commission, and we shall be doing it on a fee basis of some sort. We are just working out the details now; but we shall get a little more credit. We love doing this work, because it keeps our field men on their toes, gives them wider experience, and is good for their professional standing. But we will be putting this on an assignment basis and getting back more than just our out-of-pocket expenses.

Mr. McINTOSH: I notice that there has apparently been a change in the way in which the estimates are put up in order to include the parts of former votes. On page 500, about three quarters of the way down, there is a total expenditure for 1961-62, 1962-63, and 1963-64. It increased last year, but this year it was down below what it was in 1961-62. Has there been any organization within the department where the savings have been large, or may I ask the reason for it? Was it loss of personnel, or what?

Mr. MACE: You are referring to page 500?

Mr. McINTOSH: Yes.

Mr. MACE: You are referring to the expenditure figures?

Mr. McINTOSH: Yes, the total expenditure figures.

Mr. MACE: Of \$652,500?

Mr. McINTOSH: No, down lower than that, to the \$6 million.

Mr. MACE: Might I explain first of all and draw the attention of the committee to the very point which Mr. McIntosh has raised, and it is that the new form of estimates is rather a little confusing having regard to the way we dealt with them in previous years. This increase, in fact, reflects the result of three votes that we used to have before: Departmental administration, on page 498; district services administration, on page 500; and the veterans bureau. So the figure you have referred to is in fact the total expenditure of the three different votes.

Now, there has been a gradual decline, and we would have to go back to each one of these special votes to establish exactly where this decrease has come from. But I suggest to you that this is a very minimal change, and is not caused by anything in particular; there is no particular reason for this expenditure other than the slight adjustments in staff and in the amount of our regular administrative expenses.

Mr. McINTOSH: In the first two, the figure is \$6 million.

Mr. MACE: It is \$6.5 million.

Mr. McINTOSH: And \$6.6 million. But were the items which you now include in item I, included in these figures?

Mr. MACE: Yes.

Mr. McINTOSH: They are added up?

Mr. MACE: Yes, this is the total of the expenditures of these three votes for these particular years, and we have to go back to each one of these votes in 1962-63 in order to see what made it up. I am sorry but I do not think we can tell you that right now.

Mr. McINTOSH: I do not think we want details. I was thinking rather that most of this deals with salaries for administration of the department, I mean most of the \$6 million.

Mr. MACE: Yes; if you look at the details, you will see that the salaries, for example, for administration total \$2,150,000 out of \$2,400,000; and for district administration, \$3,000,000 out of \$3.4 million, roughly.

Mr. McINTOSH: The department had nothing to do with the increase there for the personnel who are here today, or those who worked under them, because it is a civil service decision whether there is an increase. Does it come up each year for those holding positions?

Mr. MACE: Salary increases fall into two categories generally. These are the adjustments we make from time to time as a result of a cyclical review, or a comparison of the civil service with industry salaries; and the other one is the normal annual increase to which people are entitled, and the department has no control over the establishment of salaries of any of the classes.

Mr. McINTOSH: I think this question has been asked today and I know it has been asked on former occasions. In your department do you encounter any difficulty in recruiting the technicians and professional people that you require at the salaries you are able to offer them because of the scale in the civil service?

Mr. PELLETIER: I think I will have to answer that question in a general way.

In some classes of employment the answer is yes; in others, the answer is no. I think it is fair to say that by and large, with very little margin, our salaries are roughly competitive with those in similar employment outside.

In certain cases there is a shortage, and we have a peculiar problem with which you are no doubt familiar.

Mr. McINTOSH: I am just wondering in what way the committee can help the department by some recommendation in this regard. Sometimes we can; sometimes we cannot.

I occasionally have the feeling that because of what you are able to offer to professional men you are not getting the type of employee the veterans deserve.

Mr. PELLETIER: In most grades we are not unique employers in the government service. The salaries are recommended by the Civil Service Commission and finally set by the treasury board because they cover a great many departments. So, if I may say so with respect, I do not think it is too practical to think in terms of trying to help one department alone, much as I would love that to be done if it were possible.

Mr. McINTOSH: It is our duty as members of this committee to help this department. If there is any way in which we can do so I think it is our duty here to point out to the government, or to parliament, that there are some inequities in this system and to suggest some way of overcoming them. Actually, I think the committee and the department are both working towards the same end but with different ideas on the method of achieving that end. It is possible that some areas are suffering from a lack of the proper type of professional services; and I suggest this could happen in the medical field.

Mr. PELLETIER: I do not think you could say it is actually critical anywhere, although in some areas it is most difficult; and possibly the medical profession generally is the most difficult area.

Of course, we probably feel this more acutely than similar employers outside, such as the general hospitals because of the nature of our patient load. We have managed, however, to keep a pretty high calibre of professional help even though in some instances the quantity is insufficient.

Mr. CHATTERTON: Specifically, what about the supply of nurses? Could Dr. Crawford tell us?

Mr. CRAWFORD: Mr. Chairman, this is indeed a very difficult situation. As has been said here today, civil service salaries are set by a joint study by the Civil Service Commission and the treasury board. We do not always agree with the figures which they set, but they are set in relation to other federal employment.

I think you must bear in mind too that in the federal service we are committed to a federal rate of pay which applies in Halifax, St. John's, Newfoundland, and in Vancouver or Victoria, B.C., whereas in a non-federal service competitive rates are quite different in different areas. This presents problems for us. We are tied to a federal rate, and therefore we run into inequities in certain regions of this country. It is one of the grave disadvantages in attempting to operate a federal service.

On the question Mr. Chatterton raised some time ago about orderlies in Shaughnessy, we have had complaints from orderlies there. They have complained that they are receiving less than orderlies in other hospitals. In other places, however, orderlies are receiving more money than orderlies in other hospitals in the same cities.

However, this is something with which we have to live because we cannot establish regional rates of pay. The moment we establish regional rates of pay we will lose all possibility of mobility and transfer. Therefore, one

is on the horns of a dilemma with regard to this but, as the deputy minister has said, our salary scales are roughly competitive in most areas of Canada.

With respect to nurses we have a serious problem. I cannot give the figures of nursing shortages at the moment, but they are alarming. I have had to close wards in several hospitals simply because I cannot staff them, in spite of the fact that many of the shortages occur where our salaries are definitely competitive with salaries outside. We are competing in a very tight market; nurses are in short supply everywhere. We have the added disadvantage, as I think I explained to you the last time I appeared before you, of a patient load which is not nearly as attractive as that in civilian hospitals outside. In my opinion, this is a main factor in our difficulty in obtaining nurses.

Mr. CHATTERTON: Could Dr. Crawford say if the establishment is not filled in any of our institutions? Is the establishment filled?

Mr. CRAWFORD: No, if my establishment were filled I would be in clover.

Mr. CHATTERTON: Is consideration being given to making use of specially trained practical nurses?

Mr. CRAWFORD: I think the Department of Veterans Affairs has probably pioneered in the use of nursing assistants, as we call them, as it has pioneered in many areas in hospital administration. We have met with tremendous success in this. We are using nursing assistants or practical nurses. We operate a school of our own in Halifax where we train girls who go to various hospitals in Canada. We are co-operating in British Columbia with the provincial school for nursing assistants there and helping to train girls; and we are employing nursing assistants in Victoria, as we are doing in many parts of the country.

Mr. PATTERSON: Mr. Chairman, I think it was I who raised the question regarding the situation in Shaughnessy, not Mr. Chatterton. My information is that quite a few orderlies have resigned this month, and quite a few resigned last month; and that one of the factors leading to their resignations was the low rate of pay compared with those for the non-governmental hospitals.

Is that a fact, or are there other circumstances that have entered into this situation?

Mr. CRAWFORD: I am not aware of the actual figures for the last few months, but I am not at all surprised to hear that this is so. This has been the situation for a long time. We have had trouble in retaining orderlies in Shaughnessy. The difficulty has not been with the senior orderlies; they are staying with us. The difficulty has been with the junior orderlies. On the other hand, when we bring this to the attention of the Civil Service Commission and the treasury board we must also bring to light the fact that we can recruit the junior grades relatively easily; so there is a constant flow out, but there is also a flow in. This is not a completely desirable situation, but it rather inhibits our case for pay increases for orderlies across Canada.

Mr. HERRIDGE: Is there any difficulty now in obtaining veterans who are entitled to veterans' preference to take positions in the department, and can you tell us how many non-veterans are employed in each branch of your department at the present time?

Mr. PELLETIER: I cannot answer the question precisely but I can say that the vast majority of the employees are veterans—male employees. Among the female employees, of course, there are many non-veterans.

Mr. HERRIDGE: Yes, I understand that.

Mr. PELLETIER: I have not the exact figures here, Mr. Herridge, but we will try to find the answer for you.

The CHAIRMAN: Gentlemen, are there any other questions under Item No. 1 that you would like to hear about?

Mr. HERRIDGE: The assistant deputy minister is just looking up some information.

Mr. MACE: I may have it but I do not think I have, sir. If I have I will report it.

Mr. HERRIDGE: I am not speaking of female employees. In the case of other employees what are the reasons for employing any person in any branch of the department who is not a veteran?

Mr. PELLETIER: Mr. Herridge, to answer that question may I say that all our positions with a few exceptions—that is, order in council appointments, of which there are very few—are filled by the Civil Service Commission. As you well know, they are subject to the Civil Service Act which provides for unqualified preference to veterans. We always attempt to get a veteran and the Civil Service Commission helps us in this respect because they must give preference to qualified veterans. It so happens that we have been lucky in the past and, as I say, the vast majority of our employees are veterans either of world war I or world war II, more particularly of world war II. Most of our employees came into the department, as might be expected, in the few years immediately following world war II.

The CHAIRMAN: Gentlemen, if there are no more questions on Item 1, we will move on to Item 5:

5 Administration, including the expenses of the war veterans allowances Board, and grants as detailed in the estimates, \$4,097,200.

Mr. HERRIDGE: Could the witness tell us how many war veterans allowance applications were accepted for the recent fiscal year? How many were first world war veterans and how many were second world war veterans?

Mr. E. J. RIDER (*Director, Veterans Welfare Services*): I can tell you that 12,600 were received. I have taken that figure just out of my head. I cannot tell you the breakdown but perhaps Mr. Cromb could give you that information.

The CHAIRMAN: Gentlemen, Mr. Rider would like to make a statement before we proceed with welfare services.

Mr. RIDER: Mr. Chairman, it is a great pleasure to be here again with you and I would like to make a short statement about the veterans welfare services branch.

The veterans welfare services branch forms a part of each of the district and sub-district offices of the department. It is a major contact branch both in the offices and in the field where a field service is provided for all branches of the department, the Canadian Pension Commission, the war veterans allowance board, the benevolent funds, trust funds and, in special cases, for other departments. The total establishment of the branch is now 755 positions, 15 fewer than one year ago. Of these positions, 706 are in the districts including 6 for the administration of the veteraft program. Of the 49 positions at head office, 17 administer the returned soldiers and veterans insurance program and 6 are currently in a pool used in the reallocation of positions between districts as needs occur. The remaining 26 provide program direction and control.

Although the war veterans allowance field work and processing continues to be the largest single factor of workload, and although the direct administration of benefits continues at a consistent level, the services of counselling and referral are still of major importance to veterans and their dependants. Often the most effective means of assistance can be provided, particularly to older veterans, not by the duplication of benefits available through other departments, levels of government or private agencies, but by proper counselling and

appropriate referral. To achieve this, the staff, particularly the welfare officers, must keep up to date on the resources available to them and staff training both by in-service courses and case conferences with advisers must be a continuing process.

The co-operation we receive from veterans organizations, public and private agencies, employers, benevolent and trust funds, continues to facilitate greatly the work we do and is worthy of appreciation.

During the past year activities continued at a high level. Some 12,600 applications for war veterans allowances were processed compared with about 13,000 for 1962/63. The maintenance of accounts required a higher level of activity by field officers. Some 19,700 recipients of W.V.A. received assistance from the assistance fund, almost 1,400 more than in 1962/63, and 92 per cent of this assistance was made in the form of continuing monthly grants.

Although we expect about 1,000 trainees under the children of war dead (education assistance) act this year, the intake is expected to be slightly lower than a year ago. The peak year of intake was reached in 1961/62. During the past year, 48 students continued to receive benefits under the extension provision.

The intake for this year is not complete yet so all I can tell you is that so far this year 34 applications for extensions have been received. Twenty-seven of them already have been approved by the minister and the balance are in process.

This act continues to provide vital assistance to a worthy group of young people.

The trust funds continue to work in concert with the benevolent funds to deal with emergency cases which are beyond the means of any one fund to achieve a solution, which often, 3 or more sources must be tapped to provide. This type of coordinated effort is indispensable.

Mr. Chairman we shall try to answer any questions which may arise during the consideration of these estimates.

The CHAIRMAN: Thank you very much, sir.

Mr. CHATTERTON: I would like to put a question to Mr. Rider.

To what extent are the Veterans' Land Act field men used for your field investigations in respect of welfare services?

Mr. RIDER: Sometimes we help one another but, generally speaking, not too much. The Veterans' Land Act officers are highly trained in their own areas. My welfare officers are highly trained in their areas. There is a limit to what you can expect any one man to absorb in counselling him, and apart from general counselling and referral of cases to one another we do not do very much of one another's work. But, we try to cross refer cases where needed.

Mr. CHATTERTON: Am I correct that in Alberta your field work is carried out by the V.L.A. field men?

Mr. RIDER: On occasion.

Mr. CHATTERTON: But, not regularly?

Mr. RIDER: No.

Mr. McINTOSH: Why was the district services administration transferred from this branch?

Mr. RIDER: The district services never were in this branch.

Mr. McINTOSH: Well, they were under item 5, and I presume that was the same vote before.

Mr. MACE: This is not so. District services administration was always a separate vote in the past. It always has been separated from welfare services.

Mr. McINTOSH: But it came under item 5.

Mr. MACE: No, it was a separate vote. It just happens that this number happens to be item 5. But, there has been a general re-numbering and re-grouping of the votes into these main program areas. This was the recommendation of the public accounts committee. I must admit it has made things very confusing for comparative purposes, and it is confusing our work today when dealing with these individual items.

I would suggest, if you have a particular interest, you will find this through the sub item of these main items.

As I pointed out, item number 1 really covers departmental administration, which is head office administration. The district services administration and veterans bureau are both in item 1. We will have to watch this so we do not pass an item which may include a subject on which you wish to put questions.

Mr. McINTOSH: My concern is the reason it was done. Did you say that was on the recommendation of public works?

Mr. MACE: No, the public accounts committee.

Mr. McINTOSH: It was the committee, was it?

Mr. MACE: Yes. The public accounts committee had to approve the recommendation. This was subsequent to a study by treasury board.

If I could explain further, there is a new concept of financial management developing, primarily as a result of the Glassco commission recommendation, and the trend is toward program budgeting. As a result, the fiscal arrangements of different departments are being reorganized into programs, and this is the first step that the treasury board took. They regrouped the estimates as they were previously into main program areas. Of course, the main items are detailed on pages 496 and 497 and the details of what is in there is shown on the subsequent pages. I must say this is rather confusing.

Mr. HERRIDGE: Mr. Chairman, in view of this, I suggest it would be helpful if the deputy minister indicated when the item came up what it covered.

Mr. McINTOSH: There are only two changed, item 5 and item 35.

Mr. MACE: No. As a matter of fact, they all have been changed. I could tell you what is in the different items. I think as you approach each item as Mr. Herridge has suggested, it would be helpful if we then delineated what exactly was in that item. I think this would provide useful information.

Mr. HERRIDGE: It would be very helpful. What methods do you use now to notify applicants for various services or organizations of the visit of one of your field officers into a particular district.

Mr. RIDER: This varies. It depends on the part of the country. In areas where welfare officers go less frequently or where population is more scattered there often are notices in newspapers and announcements on radio advising of the visits of officers. Notification is made through local district offices and different veterans' organizations before the welfare officer goes out on his trip.

Mr. HERRIDGE: And that information gives the dates the field officer will be present?

Mr. RIDER: Yes. In some areas of Canada this is not done at all because the ability to make contact is much simpler; veterans organizations are much closer together. There are more N.E.S. offices and the veterans go to these places. The officers call at the N.E.S. offices or the legion branch and ascertain that certain people wish to see them, and then they go out to see them. Wherever possible, if a veteran writes in, an effort is made to make a specific appointment with him in a specific place, either at his home or some central point where a number of veterans may be meeting to see the welfare officer.

Mr. HERRIDGE: What is the mileage allowed at the present time for the travelling expenses of these officers?

Mr. RIDER: The mileage allowances at the present time are basically 10 cents per mile for the first 8,000 miles. This in Newfoundland is 12 cents a mile. All mileage in excess of 8,000 miles in one year is eight cents a mile, and in Newfoundland 10 cents a mile. In addition to this, an additional allowance of one cent a mile is paid for the first 5,000 miles, in any year, travelled on government business where the employee who is using his own automobile has third party liability insurance of at least \$100,000 in respect of any one accident. Employees travelling in the Yukon or the Northwest Territories operate on 15 cents a mile. Any other travel, other than that done by welfare officers, where normally public transportation could be used but is not quite as effective, is paid for at a rate of 4½ cents a mile.

The CHAIRMAN: Is there no further question on veterans' welfare services? I understand there are other items on page 502 to be dealt with. We will allow Mr. Rider to complete the items in which he is interested at the top of page 502.

Mr. HERRIDGE: For the information of members of the committee could Mr. Rider explain the co-operation that exists between other federal departments and any provincial departments in dealing with welfare services?

Mr. RIDER: Yes, sir. There is co-operation at all levels of the branch. We co-operate very closely with the national employment service, for example, here in Ottawa. At the district level the district superintendent will co-operate with the local national employment service officers, veterans' organizations and private and public organizations, provincial government organizations and municipal organizations. For example, in Ontario, in the London office in the next few days there will be a course given for officers from the national employment service offices in that area, a refresher course to reacquaint them with what is done for veterans, so that when a veteran goes to see them they know what we do and they can give general counselling. If that is not sufficient then they can make an appointment with the welfare officer. The individual welfare officer is expected to be a knowledgeable individual in that we expect him to know not only what our department can do for the veteran but what any other federal department can do for them, what the provincial government can do for them in the fields of social welfare and what the municipal government and other private agencies can do for them. For example, a welfare officer will work very closely with schools concerning children under the educational assistance act. They will work with private agencies in their local areas. If there is a specialized agency, say, for family counselling, they will work with them. If the welfare officer runs into a difficult family problem, he will refer the case to the local agency which can see the veteran at any time, whereas the welfare officer might only be able to see him each two weeks or even less frequently. We try to make use of all the agencies there are. We accept the fact that many of these agencies are more knowledgeable than we are in dealing with these problems, and wherever we can use someone better qualified than ourselves to help solve the veteran's problem, we do so, whether it is a private, public, municipal, provincial or federal agency. This means that we must keep a good liaison constantly alive. The individual welfare officer in the field will, on occasion, meet a provincial welfare officer, and they will refer cases to one another, they will trade cases. Where the welfare officer has run across a veteran who may not be eligible for the war veterans' allowance but is eligible for provincial benefit, he will refer the case to the provincial officer to assist the veteran in getting the provincial benefit. On the other hand, if a provincial officer runs across a veteran who is eligible for war veterans' assistance, this officer will refer him to our welfare officer to assist the veteran in getting the W.V.A. There is a very close working relationship.

Mr. McINTOSH: Could you also tell the committee whether you have seen any change in the functions of your branch over the past few years? What problems do you run up against now that you have not run up against before, and what problems have you eliminated?

Mr. RIDER: Yes, there is a constant change. Social welfare would die if it did not constantly change. There is a constant change in the provisions relating to social welfare benefits in the provinces. There is a constant change in the field of education, and we have to keep very close to this because of the children who study under the Children of War Dead Act. There is a constant change in the veteran population. We are all growing older and we foresee that in a few years assistance to aging veterans is going to be a prime part of our job. There will not be so many cases applying for the re-establishment credit, or for vocational rehabilitation assistance. It is a question of assisting older veterans to grow old gracefully.

Mr. HERRIDGE: You can help me on that.

Mr. RIDER: Through the utilization of the W.V.A. and the assistance fund we are trying to keep the man in his home community by getting him interested in some activity in his community because we feel he will be happier among the people with whom he has lived all his life than, for example, in one of Dr. Crawford's institutions. We expect this to gain momentum over the next 10 or 15 years.

Mr. FLEMING (*Okanagan-Revelstoke*): May I ask what is the ratio of welfare officers to the number of recipients of the war veterans' allowance?

Mr. RIDER: There are about 83,000 recipients of the war veterans' allowance, and we have about 240 field welfare officers. The case load, if it is looked upon as a case load, is quite a high one because the welfare officer who goes out into his area does not only handle one thing, he must handle all things that come up in that area. However, the war veterans' allowance type case is normally a case which needs a lot of concentration when the veteran has some particular problem at some particular time. He may then go on for a year or two without any particular problem.

Mr. FLEMING (*Okanagan-Revelstoke*): Is the number of allowance recipients that come within the jurisdiction of any one officer too great to permit an officer to perhaps make some spot calls just to see how the veteran is getting along? I am speaking of cases of which the department does not hear and which the welfare officer has no opportunity to follow up on a voluntary basis. Would that be so?

Mr. RIDER: We do not stipulate that this will be done. We know very well that many of our welfare officers do it because of their interest in the recipients and their interest in the job, in an attempt to do a little preventive work. They know best the cases where this is required.

Mr. FLEMING (*Okanagan-Revelstoke*): But perhaps the case load that they carry is too heavy and does not permit a wide practice of this kind. Is that right?

Mr. RIDER: The case load is heavy. We have to consider the amount of travel which the welfare officer has to do. One officer may have a case load of 500 W.V.A. recipients in his area and another one may have only 350. This does not mean a mal-distribution of work; it means that maybe one officer has to travel 18,000 miles a year and another may travel 8,000 miles a year.

Mr. FLEMING (*Okanagan-Revelstoke*): I realize this. What I am endeavouring to arrive at is whether you could say that a single officer is endeavouring to carry more cases now or fewer cases than formerly, and what trend do you see? Do you see the case load increasing, do you have a sufficient increase in welfare officers to be assured that the veteran is having adequate service, or do you feel the situation is satisfactory, is likely to become less satisfactory, or has it been more satisfactory than in the past?

Mr. RIDER: The welfare officer is definitely carrying more cases now because in the past he had more statutory work to do; such as taking applications for re-establishment credits, and such work. As the number of war veterans' allowance recipients and assistance fund recipients goes up, the case load as such becomes larger. I think in the main, at the present time, a reasonable service is being provided. In long range planning, it has been my view that for the next five years there will not be very much of a change in that load. I mentioned 12,600 war veterans' allowance applications; this represented a net increase of 2,500 war veterans' allowance recipients across Canada, because as some come on others go off. After that five years I foresee a steadily growing work load which will require more staff than we have at the present time.

Mr. FLEMING (*Okanagan-Revelstoke*): In the course of their work, do your welfare officers make any comparative studies of the position of war veterans' allowance recipients living in small towns and rural areas where living may be considered a little cheaper than for those living in large metropolitan areas where living conditions are not as easy in terms of goods and services. What do your records show in this regard?

Mr. RIDER: As applications are taken for assistance fund help constantly this is being considered, and the help is granted on the basis of whether the income the individual has meets the basic cost of shelter, food, clothing, and so on. As a result, constantly we are getting figures which show what it is costing the applicants for these things. By these figures we know the extent to which the assistance fund is being used, and when and where adjustments should be made.

Mr. FLEMING (*Okanagan-Revelstoke*): Can you say how the war veterans' allowance recipient in the large urban area compares with the recipient living in the smaller or rural area in respect of the difficulty of the problem?

Mr. RIDER: I think basically the recipient living in the smaller rural area has more opportunity, to do things to help himself, such as to have a garden where he can grow some things for himself and sometimes buy from the producer at first hand rather than having to go through the normal processing channels which increases prices. I do think that basically the city dweller has a higher level of need than the rural dweller.

Mr. FLEMING (*Okanagan-Revelstoke*): Have your welfare officers given any particular consideration to a possible program within the department which would take into account the special circumstances of the recipient in the urban area in an effort to perhaps alleviate some of the difficulties encountered by him compared to others?

Mr. RIDER: This is the purpose of the assistance fund.

Mr. FLEMING (*Okanagan-Revelstoke*): I realize that, but it is simply money; I know that is very important, but it goes further.

Mr. RIDER: The welfare officer goes beyond money. To obtain money is only one thing. Many efforts are made at financial counselling in an effort to show people how to best use their money. Possibly this is much more applicable in the urban area than in the rural area.

Mr. FLEMING (*Okanagan-Revelstoke*): Are there enough welfare offers to provide this counselling on a continuing basis?

Mr. RIDER: I believe there were some 83,000 investigations and visits in respect of war veterans' allowance cases last year. I know this looks as if we have seen every one; this is actually not the case, because there are special cases where sometimes we have to see a man half a dozen times in a few months. Generally speaking, however, I think they keep up pretty well with this work.

Mr. FLEMING (*Okanagan-Revelstoke*): Your welfare officers must be pretty busy men.

Mr. RIDER: They are. As I think I said last year, we expect the welfare officer when he is in the field to work about a ten hour day.

Mr. HERRIDGE: Dozens of the veterans in the larger centres in my riding have been advised to move out of town into smaller areas and they have found this to be very successful. I would suggest to every member that he urge the welfare recipients to do the same thing.

Mr. RIDER: Sometimes it is hard to change the stripes of a tiger; a city dweller often does not like to move.

Mr. CHATTERTON: Do you have any figures with regard to the number of war veterans' allowance recipients who are in the unemployable category and who have dependant children? I am thinking of the war veterans' allowance recipient who is unemployable and who has three or four children where the maximum of the assistance is still only \$30. Do you have any figures with regard to the numbers of such veterans?

Mr. RIDER: I do not have these figures with me, but I will endeavour to obtain them.

Mr. CHATTERTON: I know of cases where there is severe hardship because the assistance fund is \$30 maximum regardless of the number of dependants.

Mr. RIDER: Often in these cases we try to get additional help over and above this through provincial benefits.

Mr. CHATTERTON: But the province cannot assist them in many instances.

Mr. RIDER: This varies between provinces. In some provinces the rates are higher than in others.

Mr. CHATTERTON: I would appreciate having even an approximation of the number of such cases where dependants are involved.

Mr. RIDER: I will obtain that for you.

Mr. PELLETIER: Mr. Rider is responsible for items other than those shown in item 5. I might mention these and members could tick them off and then ask him questions in respect of them. After you have completed those questions, Mr. Rider could return to the office in order to keep the home fires burning.

The first item is on page 502 at the bottom of the page which, I suppose in a sense, we have been discussing. At the top of page 502 there are the two items: grant to army benevolent fund and grant to Royal Canadian Legion. Then on page 504 at the bottom there is the item starting with the words: "repayments in such amounts as the Minister of Veterans Affairs determines", and above that, veterans benefits. Then we move to page 505 where at the bottom of the page there are the two statutory grants, "war service gratuities, and re-establishment credits". Finally, at the top of page 506 there is the item "statutory—repayments in such amounts", and so on. I think that is all. I believe those are the items in which Mr. Rider has interest.

Mr. CHATTERTON: In respect of the veterans re-establishment credits, how many veterans have not used their re-establishment credits?

Mr. RIDER: At the 31st March, 1964, there were 62,343 accounts not yet closed. This does not mean they have not used some of the credit, but there is that number of accounts with a liability of \$9,116,922.

Mr. CHATTERTON: Do you have any idea how many of those have been qualified under the Veterans' Land Act and possibly for that reason are not drawing it?

Mr. RIDER: They would not be included in these figures.

Mr. CHATTERTON: If they are qualified would they not be included in that sum?

Mr. RIDER: If they have a qualification certificate they would not be included.

Mr. CHATTERTON: What effort is made to acquaint these people with their entitlement?

Mr. RIDER: Constant efforts have been made over the year. In the last few years, practically every veteran having a balance was contacted, either personally or through the mail. Last year the expenditures reduced very considerably over the previous year.

Mr. McINTOSH: What degree of success did you have in these contacts?

Mr. RIDER: Reasonably good, but we ran across many cases where a veteran would say "I know it is there but I have not made up my mind yet".

Mr. McINTOSH: Have you run into any cases where the veteran is deceased, and if so what happens to the fund?

Mr. RIDER: If the veteran is deceased, the re-establishment credit can be used by his widow or children, or if neither the widow nor the children are living, then under certain circumstances the dependant mother who had been dependant on her son during his lifetime would have the benefit of it.

Mr. PILON: We received the financial statement, but I do not have it with me and I am wondering whether you could tell us the amount in the statement with regard to the army benevolent fund?

Mr. MACE: As at March 31, 1964, the figure is \$5,781,000.

Mr. CHATTERTON: When would the last payment be made under the benevolent fund? The fund would be expended at a certain time.

Mr. MACE: Oh, this was the actuarial period. I think it was for 50 years in all, was it not? Perhaps Mr. Black could give you more details about it, if you wish.

Mr. C. F. BLACK (*Departmental Secretary*): The original plan was that the plan which started in 1947 would be used over a period of 50 years. The expenditures during the first 30 years were to be about \$473,000 on the average; that would leave only a small amount for the last 20 years, when they felt that the need would be much less.

Mr. CHATTERTON: Have you the position with respect to the navy and air force funds?

Mr. BLACK: I do not have those figures. They are handled independently, not by an act of parliament.

Mr. HERRIDGE: What is the typical type of application for assistance under this fund? Has it changed over the years?

Mr. RIDER: No. I think the basic requirement is the same. The basic needs are the same. One of the problems with the army benevolent fund, or with any other fund for that matter, is that financial problems are getting greater. Whereas the army benevolent fund used to be able to handle a problem with the \$300 which it could grant, this happens less frequently now. Very often we have to get the army benevolent fund plus one or two, or sometimes three other funds to work together to achieve a reasonable solution to a man's problem. This is where we use the Canadian Pension Commission fund, private funds public funds, and other fund sources we know of. I am thinking of the legion and the other veterans organizations. We try to get all data together to work out a plan, first of all on what the man's problem is, and how much money he needs. The army benevolent fund people can take his liabilities and figure out for us how much we need.

We then decide what we want from the army benevolent fund, and so on. This is the main or major factor or change, the need for a concerted effort by a number of funds. This we try to co-ordinate in the welfare services.

Mr. LANIEL: Would this mean that the tendency would be for this fund to need an increase in grants, because of increasing needs, and as the funds go down?

Mr. RIDER: No. These funds I am talking about are not necessarily public moneys at all.

Mr. LANIEL: I know, but you get services from them in co-operation with the work, do you not?

Mr. RIDER: Yes, but these are generally trust funds which have been left, and these are used until there is nothing left. It is helpful occasionally when a new fund comes in that we can use again. But there are normally no grants to these funds to increase the funds. I think the grant for the army benevolent fund is one for administrative assistance.

Mr. LANIEL: And there is no grant for the air force fund or anything?

Mr. RIDER: No.

Mr. MACRAE: The grant to the Canadian Legion is \$9,000. How long has it been at that particular figure?

Mr. MACE: Ever since 1933, when it was reduced from \$10,000 to \$9,000, when there was a 10 per cent reduction applied to many government expenditures at that time.

Mr. MACRAE: Has there been a request for an increase in that grant over the past years?

Mr. MACE: No, sir.

The CHAIRMAN: Are there any other questions on item 5? There is one item on page 501, the war veterans' allowance board. Mr. Cromb is here today, and he might discuss it with you.

Mr. McINTOSH: May we have an explanation of the increase on page 506 from \$145,000 to \$155,000 under war service gratuities? We notice there is an increase from \$145,000 to \$155,000 on page 506 under statutory war service gratuities, and re-establishment credits. Why is there an increase in this one particular item?

Mr. RIDER: This is because of a repayment of the re-establishment credit where the credit has been exhausted and repaid by the veteran to settle under the Veterans' Land Act, and the settlement is not effective. Under this item we pay back to the veteran the amount he had paid in cash, this is the amount we have been spending. We feel that we shall need more this year than we did last year.

Mr. McINTOSH: On page 505 there is a decrease in war service gratuities and re-establishment credit. Do you feel there is not going to be as large a demand this coming year?

Mr. RIDER: That is right. I mentioned under re-establishment credits that the expenditures have dropped considerably from about \$900,000 in 1962-63 to about \$353,000 in 1963-64. It may be that while it has now dropped, at a later date it will increase again very rapidly. These figures are based, of course, on the trend of expenditures that we are having.

The CHAIRMAN: Thank you, Mr. Rider. Now, Mr. Cromb.

Mr. W. T. CROMB (*Chairman, War Veterans Allowance Board*): Mr. Chairman, I wonder if I might have permission to table the material which I have distributed; it consists of a table showing the number of recipients of war veterans' allowance, by wars, on strength as at March 31, 1964, with the total annual expenditure, and also a table showing number of recipients of

civilian war allowances, by wars and by categories on strength as at March 31, 1964, with the total annual expenditure. May I have your permission to do this?

The CHAIRMAN: Agreed.

Mr. HERRIDGE: These will be included in the minutes?

The CHAIRMAN: That is right.

Mr. CROMB: The tables read as follows:

Table Showing Numbers of Recipients of War Veterans Allowances, by Wars, on Strength as at 31 March 1964

With Total Annual Expenditure

	Veterans	Widows	Sec. 5(1)	Orphans	Total
N.W.F.F. ....	2	27	—	—	29
South Africa .....	383	464	28	—	875
W.W. I .....	40,267	21,788	1,276	93	63,424
W.W. II .....	13,154	2,423	272	185	16,034
Dual Service .....	1,223	368	29	4	1,624
Special Forces .....	129	7	—	4	140
Section 4 .....	22	1	—	—	23
Totals .....	55,180	25,078	1,605	286	82,149

Annual Expenditure: \$82,285,504.17.

Table Showing Numbers of Recipients of Civilian War Allowances, by Wars and by Categories on Strength as at

31 March 1964

with Total Annual Expenditure

		Civil-ians	Widows	Sec. 5(1)	Orphans	Total
Voluntary Aid Detachment,	WW I	4	—	—	—	4
Merchant Seamen	WW I	148	45	3	1	197
Merchant Seamen	WW II	393	87	11	1	492
Canadian Fire Fighters	WW II	6	1	—	—	7
Welfare Workers	WW II	3	—	—	—	3
Trans-Atlantic Air Crew	WW II	—	—	—	—	—
Newfoundland Foresters	WW II	130	17	1	2	150
Civilian War Pensioners	WW II	4	1	—	—	5
Totals		688	151	15	4	858

Annual Expenditure: \$921,593.63.

I do not propose to make a lengthy statement, but I would like to make a very brief one. Not long ago, of course, I had the privilege of appearing before you. But very briefly I might give you an explanation of the task for which I am responsible.

The war veterans' allowance board is a statutory body and it 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 it is independent so far as its decisions are concerned. The board is charged with the responsibility of administering legislation contained in the act and regulations. The minister is charged with administration of the act. At the present time the board consists of 6 members, all of whom are on salary. There are also two other members appointed by the governor in council who are not on salary.

These are the deputy minister of the Department of Veterans Affairs, for the purpose of liaison with the department, and Mr. D. M. Thompson, Dominion secretary of the Royal Canadian Legion who also serves as a member without remuneration.

The group which I term the full board, consists of the salaried members plus those two non-salaried members, meets on matters of policy from time to time. The work on files and appeals are handled by the salaried members, and they work regularly on this from day to day.

There are 19 district authorities established throughout the country, which includes the foreign countries district authority which is established in Ottawa. All the members of the district authorities are employees of the Department. The board directs the policy and has functional control over the district authorities.

As you will have gathered from Mr. Rider's remarks, his people do all the work for the board in the matter of investigations.

I would like to digress for a moment and say that Mr. Paul Cross, the deputy chairman of the board, is with me and both of us will try to answer any of your questions.

May I just answer one question? Mr. Herridge asked for information. That information is contained in the annual report which will soon be coming out. Mr. Herridge, you asked for the number of approved applications across the country; I can give it to you by wars. There were 3,590 which were approved from world war I and the South African war; 3,833 applications were approved from world war II and the Korean special force; 139 dual service veterans were approved; 1,289 commonwealth and allied forces veterans were approved. This gives a total number of 11,904, which also includes 2,987 widows and 66 orphans. This information is in the annual report, but I thought you might wish to know it at this moment.

You might be interested to know that this is the first time in the history of the war veterans' allowance board—which is now in its 34th year—and particularly since world war II that the number of applications for world war II recipients is greater than the number of applications for world war I. That is due to the ravages of time. The world war I veterans are still coming along, but at a greatly reduced rate, and the world war II veterans are beginning to appear in a more marked degree.

Mr. McINTOSH: Can you break down that figure of 1,289 commonwealth and allied services into those who saw service in world war I and those who saw service in world war II?

Mr. CROMB: No, I do not have that information.

Mr. McINTOSH: It seems to be almost one third of the world war II Canadian applications.

Mr. CROMB: These are veterans who have spent 10 years in Canada. That may be the reason. It may be that a number of them are reaching their 10 years residence in Canada just now, and that qualifies them on the residential requirement.

Mr. HERRIDGE: Do you ever have any trouble in ascertaining that a person who applies for war veterans' allowance has actually served in an allied force?

Mr. CROMB: In the cases of veterans of the Russian forces of world war I and of Polish veterans who served in the Polish forces in world war II it is very difficult at times because in many cases their documentation has been lost. We do the best we can with the evidence available, taking the full statement of the man concerned and endeavouring to find out if it has the ring of truth. We also take statutory declarations from two comrades who are com-

petent to certify that he has served in a theatre of actual war. However, endeavouring to verify this is difficult and causes quite an amount of work, but in these cases we do give the benefit of the doubt.

In some cases I have been able to form a fairly serviceable liaison with a Russian veterans branch in Montreal which has been very helpful, and there are various ways in which we explore the accuracy of these statements—through the international Red Cross, and agencies like that. We do endeavour to ascertain in these ways whether or not they are eligible.

Mr. McINTOSH: Is it possible to break down the figure to which I referred a moment ago into commonwealth applicants and other allied forces?

Mr. CROMB: I am not sure whether this ties in, but I have a note here which states that 6,802 veterans and 3,651 widows of veterans of commonwealth forces are recipients.

Mr. McINTOSH: Six thousand odd? But the figure you gave us was only 1,200 altogether.

Mr. CROMB: I beg your pardon.

Mr. McINTOSH: The figure about which I am talking is the 1,289 figure.

Mr. CROMB: What I gave you was what Mr. Herridge asked for with regard to applications during the current year. If it is helpful to you I can give you the number of recipients at the present time. The number at the present time is 82,149 as of March 31, 1964. That represents an increase of 2,329 during that fiscal year and it includes 6,802 veterans and 3,651 widows of veterans of commonwealth forces. It includes also 1,670 veterans and 380 widows of veterans of other allied forces.

What I gave you before was the applications for which Mr. Herridge had asked.

Mr. LANIEL: For one year?

Mr. CROMB: For one year, yes.

Mr. CHATTERTON: There is obviously an anomalous situation with regard to merchant seamen who may be ineligible even though they live in Canada.

Mr. CROMB: Part 11 of the Civilian War Pensions and Allowance Act is just for Canadians or those who were domiciled in Canada.

Mr. CHATTERTON: Have you had applications for allied merchant seamen who have been here for 10 years and found they were ineligible?

Mr. CROMB: No, there are very few. It was never generally publicized that they would be eligible. This is just for Canadians and those who have served in Canadian ships.

Mr. CHATTERTON: Would the colonel not say that this is an anomalous position whereby Her Majesty's and allied forces are eligible if they have lived in Canada for 10 years, and merchant seamen are eligible but not allied forces seamen.

Mr. CROMB: The only thing, Mr. Chatterton, is that the Civilian War Pensions and Allowances Act was designed originally for Canadians; and Part II, which the war veterans' allowances board administers, was tacked on to it.

Mr. CHATTERTON: Let us hope that is one of the proposed amendments the minister will bring forward.

Mr. McINTOSH: I concur.

Mr. CHATTERTON: Mr. Chairman, I think I should say that in my experience the war veterans' allowances board is generally well considered by veterans' organizations—and I can say that for all of the members.

The CHAIRMAN: Thank you.

Mr. McINTOSH: May I ask the colonel for an opinion? He does not need to give this if he does not wish to do so.

Have you any formula that you apply at the present time to warrant an increase in the amount of money a recipient of war veterans' allowance is allowed to earn because of the increased cost of living? I do not know how much it has increased since the last ceiling was raised, but maybe you have those figures in your file. In other words, should we as a committee recommend that there should be an increase in the ceiling that the recipients of war veterans' allowance should be allowed to earn.

Mr. CROMB: That is studied from time to time. We are not speaking of the rates or the income ceilings, we are speaking of the casual earnings?

Mr. McINTOSH: That is correct.

Mr. CROMB: The amount of casual earnings they are allowed without affecting the allowance at the present time—and this is working exceedingly well—is \$600 for a single recipient and \$900 for a married recipient in any one year. Many of them do not make that much. I am quite sure a number could make more, but if they could make more the chances are that they are possibly employable.

The act, of course, was designed for those who have reached the age of 60 and are running downhill as far as health and strength are concerned, people who are unable to compete in the labour market. The casual earnings were designed just for a number of things that a veteran of that age could do if he felt so inclined. It is completely exempt. There is the problem of the veteran under 60 who, by reason of infirmity—medically approved infirmity, or lack of strength—comes on the allowance at an earlier age. If a veteran in that category started to earn a great deal the chances are that he would not be as incapacitated as he had thought he was, and it would not be good for him to stay on the allowance if he had more useful years ahead.

I would say briefly that the \$600 and the \$900 for casual earnings exemptions is working exceedingly well, and we hear very few complaints.

Mr. CHATTERTON: Would another factor be that those who are under war veterans' allowance because they are unemployable are quite often young fellows with dependant children whereas the other recipients have no dependants, and those who are unemployable are not able to earn money and, additionally they have dependant children?

Mr. CROMB: The War Veterans' Allowance Act, of course, is only designed to take care of veterans, widows and orphans. Orphans are recipients in their own right. The income of children is completely exempt; family allowance is completely exempt; mothers' allowance, and that sort of social assistance, is exempt. Therefore, when one has a case of a war veterans' allowance recipient with a number of children, he is able to benefit by the scope of social assistance so far as the children are concerned and it is not assessed as income by the war veterans' allowance board.

Mr. McINTOSH: Have you any figures in respect of the number of applicants or the number of recipients of war veterans' allowance which have been dropped during the past year because of obtaining more remunerative employment. What I am trying to get at is this. In some cases and, as you say, not many, there have been elderly veterans who have been able to get caretakers jobs, which would not give them a complete living without the assistance of the war veterans' allowance, and because of being afraid of losing out or because of the problem they had in getting war veterans' assistance in the first place and of losing that right they hoped that they could carry on, say, for another couple of months or so. In other words, they have to lay off for a couple of months, so they do lay off.

Mr. CROMB: We have no statistics in that connection. There is quite a movement back and forth but we have no statistics of that sort. But, where a veteran has a small job, if it is continuous and if it is less than the allowance—in other words, it is a full time job but it does not pay very much—we will treat that as income and supplement him up to the ceiling. If it is less than four consecutive months it is casual and he receives the complete exemption. But, there are veterans who have small jobs which do not pay enough to live on, and we supplement them up to the ceiling. We call it income. Where it is employment of less than four consecutive months in one year, up to \$600 or \$900 is completely exempt.

Mr. HERRIDGE: Have you any idea of the number of cases you have dealt with on account of overpayment, and how you dealt with them generally?

Mr. CROMB: I do not know, Mr. Herridge. The number of large overpayments is not high; there are many smaller ones. This occurs sometimes through a man getting unemployment insurance benefits and the reporting date does not catch up in time. There are a number of small overpayments. We deal with them by taking a portion off the allowance, making sure he is not seriously crippled in respect of his income. Our task is to ensure the man has enough to live on comfortably in line with the schedules of the act, and we take off a small portion to recover. However, as I say, there are many of these little ones but very few large ones. However, they do occur and that is the way we deal with them.

Mr. HERRIDGE: In recent years—and I am speaking of the last six or seven years—I personally have found a big improvement because the field officers are very careful to warn their recipients in respect of the regulations in many cases. I found before that there were veterans who quite innocently had over-earned and did not intend to do so.

Mr. CROMB: That is correct. The counselling of the veterans' welfare services officers is exceptionally thorough and that avoids, as you mentioned, many overpayments.

Mr. CHATTERTON: Have you given any consideration to the effect on war veterans' allowance recipients of the Canada pension plan, if implemented?

Mr. CROMB: I have studied the white paper and looking at the plan as it stands now it would not affect us at the present time. Later on when the plan became operative and as the amounts of money we are paying now in respect of our ceilings are a little bit higher we would deal with that as income. We would have recipients coming on but we would not have to pay them so much in order to supplement them up to the ceiling.

Mr. CHATTERTON: But the situation would be different as you approached the 10-year period?

Mr. CROMB: Yes, it would come to the point where it would not cost so much. But, as long as we have a ceiling a little above that, the veterans will come on and be supplemented to our ceiling.

Mr. CHATTERTON: Is there no indication that income from a pension under the Canada pension plan might be considered as an exemption?

Mr. CROMB: No.

Mr. CHATTERTON: So that Canada pension plan contributions would be compulsory and it might happen that after a ten year period the veteran becomes ineligible for W.V.A. because he has contributed to the Canada pension plan.

Mr. CROMB: Under our act and regulations of course, it is obligatory to count all income. What you are suggesting is very similar to the case of a civil servant on a very small superannuation or an ex-railway worker on a small railway superannuation. We count that as income.

Mr. CHATTERTON: In the case of civil servants they have the option.

Mr. CROMB: I was thinking of the civil servant who retired many years ago, around 1946 or 1947, where the superannuation was very small. We do not get many like that now.

Mr. McINTOSH: Do you get many applications from veterans residing outside of Canada?

Mr. CROMB: We get inquiries, but they must apply here. When someone wishes to come to Canada and writes to the board, we send them information, such as we distributed this morning, to give them an idea of the financial circumstances in which they must be, and when they arrive here they are instructed on the offices where they are to apply. They can then make their applications. But they cannot make an application abroad.

Mr. McINTOSH: Could you give us some idea on how many inquiries you received in the past year?

Mr. CROMB: Not more than a dozen.

Mr. HERRIDGE: Could you inform the committee on how many veteran or widow recipients have returned to Canada and spent the required year here before applying for the allowance? That is one regulation that I think is a bit stiff.

Mr. CROMB: Do you mean those who are required to return to qualify? I do not know of any. Most of them do not go abroad unless they are properly qualified, that is, have lived here 12 months prior to leaving. There may be one or two such cases but they have not come to my attention.

Mr. P. B. CROSS (*Deputy Chairman, War Veterans Allowance Board*): I know of two or three husbands and wives who have returned from England to collect their allowances, but I know of no widows.

Mr. HERRIDGE: I have one in my constituency who had gone to England six months prior to the change in the law.

Mr. CROMB: I misunderstood you, I thought you were speaking of cases who had been on the allowance and had to come back to get it again.

Mr. HERRIDGE: This widow returned to Canada to apply.

Mr. CROMB: Yes, that is necessary, she has to come back to apply.

I should like to say here that allowances are being paid to 448 veterans and widows residing outside of Canada, of whom 207 are in the United Kingdom, 192 are in the United States, and the remainder in other countries, some of them as far away as India, Australia, Italy, Lebanon, and Greece. We also have one in the Soviet Union.

Mr. HERRIDGE: We are quite cosmopolitan, are we not?

The CHAIRMAN: Are there any further questions?

Mr. CHATTERTON: How many of these W.V.A. recipients are in the unemployable category?

Mr. CROMB: All W.V.A. recipients are supposed to have reached the point where they are no longer employable.

Mr. CHATTERTON: Under the age of 60?

Mr. CROMB: We have no first world war veterans under 60 of course but we have 7,007 world war II veterans who are under 60, and 131 commonwealth and allied forces veterans who are under 60. If you take widows under age 55 of world war I veterans, we still have 295. In world war II, 820 who are under 55, and 16 widows of dual service veterans and 61 widows of commonwealth or allied veterans under age 55. By the way, all this material is in the annual report.

Mr. McINTOSH: I realize this is a hypothetical question, but have you done any research in respect of applications you may receive provided the 365 day clause has been eliminated with regard to world war I veterans?

Mr. CROMB: Do you mean the Canadian veterans who served in the United Kingdom for less than 365 days?

Mr. McINTOSH: Yes.

Mr. CROMB: To the best of my recollection, something like 25,000 remain alive at the present time of those who served in the United Kingdom for less than one year prior to November 11, 1918. In doing the research we took the number of enlistments, and so on, and determined the number who remained, as best we could.

Item agreed to.

The CHAIRMAN: On item 10.

**Vote 10—War Veterans Allowances, Civilian War Allowances and Assistance in accordance with the provisions of the Assistance Fund (War Veterans Allowances) Regulations**

**War Veterans Allowances and Civilian Allowances  
(formerly Vote 45)**

North West Field Force .....	17,000
South African War .....	563,000
World War I .....	60,310,000
World War II and Special Force (Korea) .....	21,200,000
Dual Service (World Wars I and II) .....	1,835,000
Civilian War Allowances .....	1,175,000
	<hr/>
	85,100,000

	Expenditure
1961-62 .....	\$ 75,289,722
1962-63 .....	81,782,049
1963-64 (estimated) .....	83,443,100

Assistance in Accordance with the Provisions of the Assistance Fund (War Veterans Allowances) Regulations .....	(28)	3,875,000
		<hr/>
		(formerly Vote 50)

	Expenditure
1961-62 .....	\$ 2,827,168
1962-63 .....	3,180,087
1963-64 (estimated) .....	3,525,000

**Items Not Required For 1964-65**

Vote 45d—War Veterans Allowances and Civilian Allowances—To provide effective October 1, 1963 and during the twelve-month period thereafter, that a pension paid pursuant to the Old Age Security Act be deemed for purposes of the War Veterans Allowance Act, 1952, and Part XI of the Civilian War Pensions and Allowances Act, to be \$55.00 per month .....

Vote 57a—To authorize payment of an allowance to Mrs. Cecile P. Arcand, widow of Louis George Arcand, a recipient of war veterans allowance, etc. ....

**Total, Vote 10** ..... **88,975,000**

Mr. FLEMING (*Okanagan-Revelstoke*): I notice there is an increase in the South African war allowance payments in the amount of \$353,000. What is the reason for this remarkable increase in one year? The first war payments have dropped \$3 million, and the other has had a marked increase.

Mr. CROSS: Our financial experts advise me that was because of an error in the classification last year and in previous years.

Mr. McINTOSH: Mr. Chairman, would this not be a good point at which to adjourn?

The CHAIRMAN: Very well. Well, gentlemen, it is the wish of the committee that we adjourn. The next meeting will be held on Thursday, October 1, 1964, in this same room at 10.00 a.m. Notices will be sent out accordingly.

Thank you, very much.

## APPENDIX "A"

## WAR VETERANS ALLOWANCE BOARD

Table Showing Numbers of Recipients of War Veterans Allowances, by Wars, on Strength as at 31 March 1964  
With Total Annual Expenditure

	Veterans	Widows	Sec. 5(1)	Orphans	Total
N.W.F.F. ....	2	27	—	—	29
South Africa .....	383	464	28	—	875
W.W. I .....	40,267	21,788	1,276	93	63,424
W.W. II .....	13,154	2,423	272	185	16,034
Dual Service .....	1,223	368	29	4	1,624
Special Forces .....	129	7	—	4	140
Section 4 .....	22	1	—	—	23
Totals .....	55,180	25,078	1,605	286	82,149

Annual Expenditure: \$82,285,504.17.

## APPENDIX "B"

## WAR VETERANS ALLOWANCE BOARD

Table Showing Numbers of Recipients of Civilian War Allowances, by Wars and by Categories on Strength as at 31 March 1964  
with Total Annual Expenditure

		Civil-ians	Widows	Sec. 5(1)	Orphans	Total
Voluntary Aid Detachment,	WW I	4	—	—	—	4
Merchant Seamen	WW I	148	45	3	1	197
Merchant Seamen	WW II	393	87	11	1	492
Canadian Fire Fighters	WW II	6	1	—	—	7
Welfare Workers	WW II	3	—	—	—	3
Trans-Atlantic Air Crew	WW II	—	—	—	—	—
Newfoundland Foresters	WW II	130	17	1	2	150
Civilian War Pensioners	WW II	4	1	—	—	5
Totals		688	151	15	4	858

Annual Expenditure: \$921,593.63.





HOUSE OF COMMONS  
Second Session—Twenty-sixth Parliament  
1964

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STANDING COMMITTEE  
ON  
**VETERANS AFFAIRS**

*Chairman: J. M. FORGIE, ESQ.*

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MINUTES OF PROCEEDINGS AND EVIDENCE  
No. 2

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THURSDAY, OCTOBER 1, 1964  
TUESDAY, OCTOBER 6, 1964

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ESTIMATES (1964-65) OF THE DEPARTMENT OF  
VETERANS AFFAIRS

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WITNESSES:

From the Department of Veterans Affairs: Mr. Paul Pelletier, Deputy Minister; Mr. F. T. Mace, Assistant Deputy Minister; Dr. J. N. B. Crawford, Assistant Deputy Minister; Mr. C. F. Black, Departmental Secretary; Mr. R. W. Pawley, Director, Veterans' Land Act; and Mr. T. D. Anderson, Chairman, Canadian Pension Commission.

ROGER DUHAMEL, F.R.S.C.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1964

STANDING COMMITTEE ON VETERANS AFFAIRS

*Chairman:* J. M. Forgie, Esq.

*Vice-Chairman:* G. Laniel, Esq.

and Messrs.

Asselin (*Richmond-  
Wolfe*),  
Cameron (*High Park*),  
Chatterton,  
Clancy,  
Émard,  
Fane,  
Fleming (*Okanagan-  
Revelstoke*),  
Forgie,  
Frenette,  
Greene,  
Groos,  
Habel,

Harley,  
Herridge,  
Honey,  
Howard,  
Kelly,  
Kennedy,  
Laniel,  
Latulippe,  
Legault,  
MacEwan,  
MacRae,  
Madill,  
Martin (*Timmins*),  
Matheson,

McIntosh,  
Millar,  
Morison,  
O'Keefe,  
Otto,  
Patterson,  
Pennell,  
Pilon,  
Pugh,  
Rock,  
Temple,  
Thomas,  
Webb,  
Weichel—40.

(Quorum 15)

M. Roussin,  
*Clerk of the Committee.*

REPORT TO THE HOUSE

TUESDAY, October 6, 1964

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

SECOND REPORT

Pursuant to its Order of Reference of Tuesday, September 22, 1964, your Committee has examined the Main Estimates and the Supplementary Estimates (A) for 1964-65 relating to the Department of Veterans Affairs, and has agreed to recommend them for adoption by the House.

A copy of the relevant Minutes of Proceedings and Evidence (Nos. 1 and 2) is appended.

Respectfully submitted,

J. M. FORGIE,  
*Chairman.*



## MINUTES OF PROCEEDINGS

THURSDAY, October 1, 1964

(3)

The Standing Committee on Veterans Affairs met at 10.08 a.m. this day. The Chairman, Mr. J. M. Forgie, presided.

*Members present:* Messrs. Fane, Fleming (*Okanagan-Revelstoke*), Forgie, Groos, Habel, Harley, Herridge, Kennedy, Latulippe, Legault, MacEwan, MacRae, Martin (*Timmins*), O'Keefe, Otto, Patterson and Webb (17).

*In attendance: From the Department of Veterans Affairs:* Mr. F. T. Mace, Assistant Deputy Minister; Dr. J. N. Crawford, Assistant Deputy Minister (Treatment) and Director General, Treatment Services; Messrs. J. E. Walsh, Director, Finance, Purchasing and Stores; C. F. Black, Departmental Secretary; and R. W. Pawley, Director, Veterans' Land Act; *from Canadian Pension Commission:* Mr. T. D. Anderson, Chairman; and *from War Veterans Allowance Board:* Mr. W. T. Cromb, Chairman.

Mr. Mace was called. He commented on Schedules "A" and "B" dealing with the Estimates of the Department for 1964-65, copies of which have been distributed to the members.

The Chairman informed the Committee that Votes 5 and 10 had been thoroughly examined at the previous meeting and Votes 5 and 10 were adopted.

Vote 20 was called and adopted after Mr. Anderson answered questions from the Committee.

Vote 25 was also called adopted.

Votes 30 and 35 were called, and Dr. Crawford was examined. Votes 30 and 35 were adopted.

The Committee reverted to Votes 15 and 15a, which were adopted, after Mr. Black answered questions from the Committee.

The Chairman informed the Committee that at the next meeting Votes 40 and 45 would be called and that the Committee would revert to Vote 1.

*Agreed,—That,* notwithstanding the decision taken on Tuesday, September 29, the Committee meet at 9.30 a.m. on Tuesday, October 6.

At 12.25 p.m., the Committee adjourned until Tuesday, October 6 at 9.30 a.m.

TUESDAY, October 6, 1964

(4)

The Standing Committee on Veterans Affairs met at 9.40 o'clock a.m. this day. The Chairman, Mr. J. M. Forgie, presided.

*Members present:* Messrs. Chatterton, Forgie, Groos, Harley, Herridge, Laniel, Legault, MacEwan, MacRae, Madill, O'Keefe, Otto, Pilon, Rock, Thomas and Webb (16).

*In attendance: From the Department of Veterans Affairs:* Mr. Paul Pelletier, Deputy Minister; Mr. F. T. Mace, Assistant Deputy Minister; Mr. R. W. Pawley, Director, Veterans' Land Act; Mr. W. Strojich, Senior Administrative Officer, V.L.A.; Mr. Hugh Lamb, Superintendent of the Construction Division; Mr. M. G. MacArthur, Superintendent of the Property and Security Division; and Mr. W. F. Thomson, Acting Superintendent of Farms Division.

The Chairman called Votes 40, 45 and L55, and introduced the officers concerned with Veterans' Land Act. Mr. Pawley read a prepared statement and was examined by the Committee.

Votes 40, 45 and L55 were adopted.

The Committee reverted to Vote 1 and Mr. Pelletier and Mr. Mace were questioned by the Committee.

Vote 1 was adopted.

The Chairman read a Draft of the Second Report of the Committee to the House and it was adopted.

At 11.55 o'clock, the Committee adjourned to the call of the Chair.

Marcel Roussin,  
*Clerk of the Committee.*

## EVIDENCE

THURSDAY, October 1, 1964.

The CHAIRMAN: Gentlemen, we have a quorum. Would you please come to order.

First of all, I would like to call upon Mr. Mace, the assistant deputy minister, to explain to you certain matters of which he is seized.

Would you proceed at this time, Mr. Mace.

Mr. F. T. MACE (*Assistant Deputy Minister, Department of Veterans Affairs*): Mr. Chairman, I would like to explain to you the purpose of the two schedules which have been distributed to you. There are two schedules, schedule A and schedule B.

Schedule A lists on the left hand side the parliamentary votes which appear in the main section of the blue book. The second column represents the subvotes or, in other words, the breakdown of the parliamentary votes into the old votes as they appeared in previous years. To the right of that you will notice I have given the name of the departmental official who normally would answer questions relative to these subvotes. At the extreme right hand side I have indicated the ones which were discussed by the committee last Tuesday. I think this information will be helpful to you in establishing exactly which main vote you might wish to interest yourselves with. For example, if you had an interest in the assistance fund you would note this was a subitem of vote number 10. As you will note, vote number 10 covers the allowances and assistance fund, and this is composed of subvote 45 and subvote 50. This will give you the key in respect of where your interests may lie.

The second schedule, schedule B, which I hope you will find useful, also has been distributed to you. In this schedule we have distributed the votes in accordance with responsibility so far as the departmental officers are concerned. In this way when one of the officials is before you this schedule shows all the items which he will or should deal with, both by parliamentary vote number, which is in the centre column, and the subvote number, which is in the far column.

Gentlemen, are there any questions in respect of how you might use these two schedules? Normally we would work from schedule B because we will call one of the officials and he will deal with the various votes in which he is interested.

If I could, Mr. Chairman, I would like to mention that difficulty was experienced the other day in picking out certain items, as a result of which two items were missed in the votes which we did consider. If you would take a look at schedule B you will note that the first one is 1a, departmental administration. This is a small supplementary estimate for our departmental administration and I think it is in the amount of \$42,000. I would like to present this for your consideration at the present time.

1a Departmental administration,	\$42,000
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Mr. MACE: I do not know if you have any questions in respect of this. The purpose of this was mainly to provide us with a little additional money in our departmental administration vote to pay the fees of management consultants. I think reference was made the other day to the survey we have been subjected to. Because of this we needed a little more money to clean this account up this year.

The CHAIRMAN: Gentlemen, are there any questions?

Mr. CHATTERTON: Are these consultants officials of the civil service commission or are they outside consultants?

Mr. MACE: They are outside consultants.

Mr. CHATTERTON: Was it just the one firm? If so, could we have the name of that firm?

Mr. MACE: Yes. The firm was Woods Gordon and Company. I do not know whether or not you are familiar, sir, with the procedure but I think you will be interested in knowing that tenders were invited from a number of consultants. There was a selection process. We did not just pick a consultant and have him do the work. We invited tenders.

Mr. CHATTERTON: Did they tender on the basis of a price or on meeting certain requirements?

Mr. MACE: I would suggest both, sir.

Each one of these consultants spent a week in the department examining our organization and establishing what they felt they should do and cover in this over-all survey of financial management. They submitted a price and in accordance with how much their figure was and the service they expected to perform we made a selection.

Mr. CHATTERTON: When will this report be submitted? Has it been submitted to date?

Mr. MACE: It was submitted on June 23. That was the cut-off date.

Mr. FLEMING (*Okanagan-Revelstoke*): Have they managed to save you \$42,000 to date?

Mr. MACE: The total price was just over \$80,000. It was a six months survey. It was an excellent report, but which will take us a considerable time to implement.

Mr. CHATTERTON: Have similar surveys been made of other departments of government?

Mr. MACE: There were three other departments also surveyed at the same time. The departments of agriculture and transport were surveyed on the same basis, which was mainly in respect of financial management. There was also another survey undertaken of the department of northern affairs. However, the latter was a much broader survey and one in which other areas of administration were taken into consideration. However, out of all this they expect to bring in ground rules which will be applicable to the whole service in this particular field.

The CHAIRMAN: What was the other item which was not dealt with?

Mr. MACE: It was 15a.

The CHAIRMAN: Are there any further questions on 1a? If not, we will now call item 15a.

15a—Other benefits including treatment and related allowances, burials and memorials, the training of certain pensioners under regulations approved by the governor in council and repayments under subsection (3) of section 12 of the Veterans' Rehabilitation Act, \$45,000.

Mr. MACE: This is a supplementary estimate which Mr. Rider would have dealt with. It concerns veterans' benefits and is vote number 15a. This is a supplementary estimate. It would not be in the blue book but in the supplementation thereto.

This is an item of some \$45,000 to supplement our provision for veterans benefits. Mr. Rider would have dealt with this the other day but we proceeded too fast with that particular section.

Mr. HERRIDGE: Is this amount to meet just the additional expenses under that item?

Mr. MACE: Yes, there are two items in here. The first one is to supplement our provision for university and vocational training in respect of the retraining of pensioners, which we are permitted to do under regulation; and the \$25,000 is to provide some assistance to Canadian veterans who happen to be living in the United Kingdom. We have a departmental office in London, England. Canadian veterans deal through our office there. Unfortunately, there are very little welfare funds available to them in the United Kingdom as such. In Canada we have quite a number of welfare funds. People have donated funds. We have no small slush fund from which we can help a person from time to time and this is a provision of some \$25,000 which we will turn over to our London, England office.

Mr. PATTERSON: Is that an entirely new appropriation?

Mr. MACE: Yes, it is. For many years in the past we did have some money over there that we could use for such purpose as this. However, over the years this has been expended, as a result of which this was the only way we felt we could make some funds available to our district administrator in the U.K. in order to meet emergencies.

Mr. PATTERSON: Is this appropriation just for the year or is it a fund which may extend over a period of years?

Mr. MACE: We can pay these people up to \$10 a month. Of course, most of these people would be in receipt of some social assistance in the United Kingdom. However, as I said, we will be able through this fund to supplement their income up to \$10 a month.

The CHAIRMAN: I would like to close off items 5 and 10 if there are no further questions. As you know, these were discussed last week.

Mr. PATTERSON: Perhaps just before we leave this item I could ask one further question. Is it anticipated that this would be just for the one year or is this a fund set up that will carry on year after year until it is expended?

Mr. MACE: Yes, it is our intention to carry this on. But, this is the start and from experience we will learn what might be required from the financial point of view. But, so far as I know, the intent is to carry this on. Of course, this provision is only for our requirements for this year. We can only appropriate for one year, unless, of course, you make it a statutory item.

Item agreed to.

The CHAIRMAN: Shall we carry both votes 5 and 10?

Mr. CHATTERTON: At the last meeting I asked if we could obtain information in respect of the number of W.V.A. recipients from the unemployable class who have dependant children. Were you able to get that information?

Mr. MACE: The official who could give that information is not here today. However, I do not think he has obtained this information yet. This will take us a while.

Items 5 and 10 agreed to.

The CHAIRMAN: Our next item appears on page 506. It is item 20, under "pensions".

20 Administration, \$2,634,300

Mr. HARLEY: What is the situation in respect of item number 15?

The CHAIRMAN: We are coming back to that later. We have not touched upon that yet.

Mr. MACE: If I might explain, this is one of the problems. Doctor Crawford is here today. He has an item in vote 15 and he will deal with that. Then,

there is another remaining item in vote 15 which Mr. Black will deal with. It is rather difficult to clean these items up. However, I understood from the Chairman on Tuesday that Mr. Anderson would handle all the matters relating to his interests at the present time.

The CHAIRMAN: Gentlemen, are there any questions in connection with item 20, administration?

Mr. HERRIDGE: I was going to ask Mr. Anderson if he could explain to the committee the present arrangement for appeal board hearings, for instance, in the country: I am thinking of British Columbia. How frequently would members of the commission visit interior parts?

Mr. T. D. ANDERSON (*Chairman, Canadian Pension Commission*): Normally once a year in the interior. We try to do what appears to be necessary to keep these appeals reasonably well up to date. Normally they go only once a year to the interior. However, if there are any large number of cases pending we go more frequently. As I say, normally it is once a year. Once a year has been sufficient in recent years.

Mr. HERRIDGE: But suppose you had one or two cases in the interior, would you call these men into Vancouver, for instance?

Mr. ANDERSON: Yes. If the time ever comes when we find there are only a relatively few cases to be dealt with annually we probably will stop sending boards into the interior and will call them all into Vancouver.

Mr. HERRIDGE: And, I suppose in that connection their expenses would be paid?

Mr. ANDERSON: Yes. I want to point out one or two things. I do not want to make a long speech, just one or two highlights. First of all, I think it is significant that the total annual liability for pensions has gone down substantially, as you notice over at page 507. However, that is for pensions. The salary costs have increased as shown in the administrative column on page 506. Of course, the reason for the increase in the salaries appropriation is that these were increased last year. The number of personnel—that is, our total establishment—has decreased. But, owing to the fact that salaries generally were increased the cost has gone up slightly.

The only other item which I think has increased is office stationery and supplies which, of course, results from just the normal increase in the cost of these materials.

Also, it will be interesting to you to know that the total number of pensioners—that is, the total number of people who are drawing pensions—has decreased slightly. It decreased a little last year and decreased again this year. This may or may not be a trend. However, the fact that it has happened two years in succession may indicate we are finally over the hump and going down hill.

Mr. Chairman, I think that is all I wanted to draw your attention to particularly, but if there are any questions in respect of any items in the estimates we will be only too glad to try to answer them.

Mr. CHATTERTON: Mr. Chairman, I have a general question. Are you satisfied with the benefit of the doubt provisions in the present legislation and are you satisfied that it is being generously implemented by the commission?

Mr. ANDERSON: Yes.

Mr. CHATTERTON: I receive more letters in respect of complaints concerning decisions of the commission than any other matters with regard to veterans' affairs. I think in some cases this is because the applicant is not made fully aware of the reasons for the decision. He receives a letter which is cold, hard and sometimes difficult to understand. Have you considered perhaps having the pensions advocate call in the applicant to explain the reasons for the commission's decision?

Mr. ANDERSON: Well, this is something which the advocate can do if he desires, even now. Normally we would not direct him to do that because we have no authority to do so. But, in respect of giving reasons for our decisions, the applicant invariably receives a copy of the decision which contains all the reasons, and if he is not satisfied with the reasons contained therein he can write and ask for more complete information and we will be glad to provide them. So, there is no real problem there. If he really feels that the reasons as outlined in the actual decision are not sufficient he can write and ask for more details if he wants them, and we will be only too glad to supply them.

Mr. HERRIDGE: Have you any idea of the percentage of appeals against decisions of the commission on the basis of the benefit of the doubt clause?

Mr. ANDERSON: There is a very large percentage, particularly in the case of world war I claims. I would say 70 to 80 per cent of the world war I claims are granted now under the provisions of the benefit of the doubt clause.

Mr. MACEWAN: I would like to put a question in respect of the work load on the commission at the present time. Is this work load heavy? In other words, are there many cases which the commission is now examining which are awaiting a decision? Could you give us some particulars in that connection?

Mr. ANDERSON: Mr. MacEwan, the number of claims being dealt with is quite large but over the years the figure has remained fairly constant. For instance, in 1951 we dealt with 41,717 claims. In 1963-64—and the year is not over yet—we estimate we will deal with something of the order of 50,000 or so. So, you will note there is only a small variation. The work load remains fairly constant over the years.

Mr. HARLEY: I have a question along the same lines. Could you tell me how many of those claims would be new, how many would be reboards and what would be the number of old claims reopened?

Mr. ANDERSON: Of course, each applicant, in the case of world war I, or the regular force, has an opportunity to come back three times to us, the first and second hearings, and then the appeal. However, world war II and Korean veterans can come back as many times as they wish, if they produce new evidence. Many of those mentioned above will be renewal hearings. This figure represents the total number of decisions made.

Mr. HARLEY: Are you getting many new claims now or are most of them old claims?

Mr. ANDERSON: Yes, amazingly enough we do get a substantial number of new claims each year.

Mr. HERRIDGE: And, are these from world war II in most cases?

Mr. ANDERSON: Yes, but we still get new claims from world war I veterans. As recent as last year we were still getting claims from world war I veterans who were applying for the first time for gunshot wounds. It is amazing but it is happening.

Mr. PATTERSON: I am in a position to make the same observation as Mr. Chatterton did a few moments ago in respect of complaints received from veterans, and most of them have to do with decisions handed down by the commission.

Do you feel the regulations under which you must operate are flexible enough to give consideration to and make a decision on the merits of the individual case rather than looking at it just as an application of stringent rules and regulations?

Mr. ANDERSON: Let me say that we have no stringent rules and regulations; the only thing that binds us is the act itself. The regulations are flexible and are being amended and changed almost daily. If we find a regulation is resulting in some hardship on certain classes of applicants we look at it very carefully and, if necessary, we seek amendments. We really have only

one set of regulations namely the table of disabilities and these we amend fairly regularly, with the possible exception of the assessments for disabilities, such as the loss of a leg, arm and so on, which have remained fairly constant over the years. However, there are no rigid regulations.

Mr. HERRIDGE: I would like to put a question in respect of rehearings where new evidence is offered based on the evidence that could be given by a comrade who was at a particular place at a certain time. I have had cases where a man was anxious to get the address of someone who served with him. What is the procedure that is used in these particular cases?

Mr. ANDERSON: Well, of course, we have access to the files and records and if this person to whom the man is applying for assistance in presenting his claim is a veteran—and in most cases they are—then we can assist him in locating the individual by obtaining the man's address from the files in central registry. Now, mind you, this presents something of a problem because the man does not always stay put. Where he was subsequent to his discharge and where he is today may be widely separated. The best we can do is ascertain the last address which appears on his records in the records department and send this along. We have gone to greater lengths than that. The veterans' bureau do a good deal of this sort of thing. They try to trace the individual from his last address and so on. However, gentlemen, I can assure you that every possible effort is made to get whatever evidence we can in this way and to assist the man in digging up the evidence which will support his claim.

Mr. HERRIDGE: Does the commission or the pension bureau seek the assistance of the legion and other veterans organizations in tracing the address of the men?

Mr. ANDERSON: The Veterans Bureau will. They will seek assistance from anyone who can provide it.

Mr. CHATTERTON: It would appear to me that quite frequently in the summary of evidence given before the commission in cases where laymen generally come forward and give evidence a comment is made in the summary "friend of the applicant". This to me leaves the impression that because they are friends of the applicant their evidence may carry less weight. Am I wrong in my interpretation of this?

Mr. ANDERSON: Yes. This is not so. The evidence is given the same weight regardless of the relationship of the witness to the applicant. It depends entirely on the credibility of the evidence itself. We do not judge the individual witness adversely simply because he happens to be a friend of the applicant.

Mr. HERRIDGE: Mr. Anderson, have you any suggestions to make to the committee in respect of problems that you face in the administration of the commission?

Mr. ANDERSON: Well, no specific suggestions, Mr. Herridge. It is the old problem we are all faced with. A good deal of the difficulty which arises, so far as we are concerned, results from a misunderstanding of the legislation. I am sure the members of the committee can be of help to us in this regard when people come to them with complaints. It would be very helpful if they were in a position to explain exactly what the provisions are, what is provided by the act and what the responsibility of the commission is. May I say that I do think members of the committee and members of parliament generally do this, and we appreciate it. I hope it will continue. I think that is the only thing I would suggest at the moment.

Mr. HERRIDGE: Do you think anything could be done to improve the veteran's understanding of the act and its administration by articles in veterans'

magazines? I note quite frequently that the veteran is dissatisfied purely on the basis of a complete misunderstanding of the act and regulations.

Mr. ANDERSON: Yes. Articles appear in the *Legionary* at varying intervals explaining the effect of the act and how the Canadian Pension Commission operates. We have been asked to do specific articles for the *Legionary*. Almost invariably when there are amendments to the legislation the *Legionary* carries a very detailed explanatory article covering the amendments and so on. Then you may recall that for some years—and I believe they are still doing it—the *Legionary* had a section which was prepared and published under the byline of the service bureau in which it raised specific questions about pensions, treatment and so on, and then answered these questions. This is the sort of thing which I think does help tremendously in educating the veteran in respect of what his rights and privileges are and what the method of procedure is in respect of obtaining the benefits of these different items of legislation.

Mr. FLEMING (*Okanagan-Revelstoke*): In respect of this, might it not be desirable for the department to prepare a publication outlining the general provisions of the act and the various procedures, and at the moment that a veteran makes an application for a hearing he be presented with a publication which outlines the provisions of the act in summary form and the procedure to be followed in respect of appeals and so on rather than this being controlled by the veterans' advocate or whoever may be dealing with this? I think it would be very beneficial that the applicant receive at the moment of application a pamphlet which outlines in general terms what benefits may be available to him, what procedure will be followed in respect of appeals and so on if the applicant is not successful. In this way the veteran would not be under any misapprehension at all in respect of what he is doing.

Mr. ANDERSON: In effect, this is done. When the initial or first decision is finalized he is written and told—if his claim is granted, of course, there is nothing further to worry about—how the process works. He receives a letter explaining the whole process which is now open to him and the lines along which he must proceed to advance his claim. So, in effect, what you are suggesting is done in each individual case.

Mr. HERRIDGE: On that particular point, I had a case sometime ago of a veteran who had to go to Shaughnessy hospital and have an operation which was very necessary. This veteran and his wife saw me personally. This operation considerably reduced his virility. They both claimed all they received back was a letter stating that his condition was not incurred during service. They failed to realize the veteran was 77 years of age. The next occasion on which I was there I got the authorities to write a complete explanation on the effect of aging of men, as a result of which everyone was quite satisfied. I think these things need a little explanation on occasion.

Mr. ANDERSON: Well, there is no doubt about the fact that this is one of the major problems. There is a misunderstanding of what the act provides and what are the responsibilities of the commission and other organizations providing veterans services.

The CHAIRMAN: Shall item 20 carry?

Item agreed to.

Mr. HERRIDGE: The consolidated editions of the Pension Act are very useful to members of the house and particularly to the members of this committee. Would it be possible for members of the committee to get a dozen copies of the consolidated edition of the Pension Act?

Mr. ANDERSON: Are you referring to the office consolidation of the act?

Mr. HERRIDGE: Yes.

Mr. ANDERSON: Yes, but I do not know what the procedure would be in this connection. We obtain our copies directly from the Queen's printer, and I think that is the procedure you should follow.

Mr. HERRIDGE: I just thought it would be useful to quite a number of members of this committee if they could obtain some extra copies.

Mr. C. F. BLACK (*Departmental Secretary, Department of Veterans Affairs*): Of course, the members can get them through the Queen's printer. If our department obtains copies through the Queen's printer, then we have to pay for them the same way as you do. We always have hesitated to provide large quantities of legislation because the cost of these is charged to our departmental estimates, as a result of which it increases our outgo.

The CHAIRMAN: We will now proceed to item 25.

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, and gallantry awards (world war II and special force) ..... 170,826,000

The CHAIRMAN: Are there any questions in respect of this item?

Mr. HERRIDGE: Are there a large number of veterans who have not applied to date for their gallantry awards?

Mr. ANDERSON: I am not too sure what the procedure is. However, I do know that all the veterans who have received awards are in receipt of whatever they are entitled to at the moment.

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

Mr. HARLEY: I assume the amount of expenditure is less because of the death of pensioners?

Mr. ANDERSON: Yes.

Mr. GROOS: For my own information could you advise what gallantry awards are?

Mr. ANDERSON: They are financial awards paid to persons who received the Victoria Cross, the D.S.O. and so on. At one time these were paid entirely by the British but in recent years the Canadian government has taken them over. At the present time these awards are all paid by ourselves with the exception of a few of the world war I veterans who are entitled.

Mr. GROOS: Are these awards paid in a lump sum?

Mr. ANDERSON: In some cases they are. Of course, we are not concerned with these. We are concerned with those who receive so much a month for the rest of their lives.

Mr. CHATTERTON: What is the order of payment for the various awards?

Mr. ANDERSON: Well, it is so many cents a day. I have forgotten what the actual amount is. However, I have now been handed some information which will help me to answer your question. Veterans who have the M.C., the D.F.C., the D.C.M. and the D.S.M. all get \$100 gratuities, payable on discharge, transfer to the reserve, or promotion to commissioned rank. For each bar there is an additional gratuity of \$100. Then there is the C.G.M., the M.M. and the D.F.M. These are in the above amount, \$100, but if the recipient is awarded a disability pension, service pension or veterans' allowance, he receives 12½ cents per day in lieu of gratuity, and this is paid with the pension and the war veterans' allowance.

Mr. CHATTERTON: Is that payment related to the length of service?

Mr. ANDERSON: No, it has nothing to do with length of service.

Mr. FANE: Were you implying that veterans who received the Military Cross got \$100 in each case?

Mr. J. E. WALSH (*Director, Finance, Purchasing and Stores*): Only if they received the Military Cross while they were non-commissioned officers.

Mr. FANE: Non-commissioned?

Mr. ANDERSON: Yes.

Mr. FANE: That is what I understood.

The CHAIRMAN: Shall item 25 carry?

Item agreed to.

The CHAIRMAN: We will revert now to item 15. This is the item in which Doctor Crawford is interested.

15. Other benefits including treatment and related allowances, burials and memorials, the training of certain pensioners under regulations approved by the governor in council 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, ..... 5,340,100

Mr. MACE: Mr. Chairman, I forgot to introduce Mr. R. W. Pawley, director of the Veterans' Land Act. He is with us today.

Mr. O'KEEFE: May I put a question in respect of item 15? Are there any civilians employed by the Department of Veterans Affairs?

Mr. CRAWFORD: Oh, yes.

Mr. O'KEEFE: In what capacity?

Mr. CRAWFORD: In all capacities. Some of my medical officers—and this is an increasing number—never have served. A lot of my nurses never have served. This also applies to laboratory technicians; many of them have never served in the armed forces. This is a fact of life and I think we have to realize that. Veterans preference goes only so far in respect of people who do not have jobs now and those who have not the proper kind of training are not worth employing as a rule.

Mr. O'KEEFE: Can you tell me if there are any veterans so employed in Newfoundland?

Mr. CRAWFORD: I am in a rather different position in respect of Newfoundland because I do not have a departmental institution in Newfoundland. The veterans' pavilion in connection with St. John's General hospital is staffed by the staff of St. John's General.

Mr. O'KEEFE: In respect of veterans applying for these positions who do not have the necessary qualifications required for certain jobs, has any thought been given to arranging the necessary training in order that these veterans could qualify?

Mr. CRAWFORD: This would be quite impractical. I am thinking in terms of people with university degrees, with high technical qualifications and so on. We can do a certain amount in respect of the cleaners, the helpers, the orderlies and that sort of thing. We do attempt to use veterans as orderlies and train them on the job. However, even that source of supply is running pretty thin because an orderly has to have a pretty strong back as well as a reasonable amount of education. Veterans are just getting too old for this kind of work.

Mr. O'KEEFE: You say it is impractical to train veterans for any specific job?

Mr. CRAWFORD: No, I am not saying that. That is far too general a statement. I am saying that it is impractical to try to train them for the type of jobs that I require to have done in my hospitals.

Mr. O'KEEFE: Are there any vacancies on the staff which take care of the graves at Beaumont-Hamel?

Mr. CRAWFORD: Mr. Mace says he can answer that question.

Mr. O'KEEFE: May I ask Mr. Mace that now, Mr. Chairman?

Mr. MACE: We only have one case, that of a caretaker, at Beaumont-Hamel. This position was vacated by the caretaker who previously occupied it. We have not filled the vacancy yet.

Mr. O'KEEFE: Have you considered any applicants?

Mr. MACE: We have had a letter indicating an interest on the part of a veteran who is a Newfoundlander, but it has not yet been finalized.

Mr. O'KEEFE: Can you tell me the salary scale for that particular job and how it compares with the salaries paid by the War Graves Commission for similar jobs elsewhere?

Mr. MACE: This is what we call a locally employed position. In other words, it is not a regular civil service position. I may be wrong, but I believe the salary set for this position is £1,300 (pounds sterling) which comes to about \$3,300. This may not be quite right. However, it also carries with it the use of a house. There is a house at Beaumont-Hamel for the caretaker.

Mr. O'KEEFE: There is just one employee?

Mr. MACE: There is the caretaker who has the house and we also employ local Frenchmen on a casual basis to do the work around the grounds as required.

Mr. O'KEEFE: Can you tell me what arrangements are made by the War Graves Commission for the education of employees' children? Are similar arrangements made for employees at Beaumont-Hamel?

Mr. MACE: I am given to understand that there are some arrangements made by the Commonwealth War Graves Commission for the education of children of their employees. I only learned of this about a month ago and I have written to the Commonwealth War Graves Commission in London, England, to find out exactly what the arrangements are. This was something new to me; and I had never known about it before.

I cannot say categorically that they do or they do not make such arrangements. So far we have not done this, sir, but if the Commonwealth of War Graves Commission do so I will be very interested.

The CHAIRMAN: I think we should get on with Item 15.

Mr. MACEWAN: I understand, Dr. Crawford, that as far as nurses are concerned the Civil Service Commission actually calls for applications, and competitions are held. Is this correct? It that the way in which they are employed?

Mr. CRAWFORD: There may be a regulation to this effect, Mr. MacEwan. If so, it is more honoured in the breach than in the observance. What happens really is that if we are looking for nurses and a girl comes to one of our hospitals, if she looks the kind of girl we want we hire her and tell the Civil Service Commission that we have done so; and that is that. There is none of the red tape delay—if I may use that term—associated with the hiring of nurses that there is with some other civil service positions.

Mr. MACEWAN: You are having difficulty, you said, in getting sufficient nurses to staff your hospitals entirely.

Mr. CRAWFORD: Indeed I am.

The CHAIRMAN: Is that general throughout the country in all hospitals?

Mr. CRAWFORD: It varies a great deal. My average shortage of nurses compared with the establishment for nurses is now  $17\frac{1}{2}$  per cent. I am  $17\frac{1}{2}$  per cent down. This varies from zero in such places as Saskatoon and Edmonton, where I have small establishments, to 35 per cent in Toronto. Of course, the 35 per cent deficiency in nursing staff causes a pretty crippling situation.

Actually, the situation in August of 1964 was 56 bodies better than it was in 1963. This is due largely to the fact that we sent a mission down to the United States to recruit nurses who had been trained in the Philippines. They are perfectly satisfactory nurses. They have been doing further studies in the United States. Their visas or work permits, or something of that nature, have run out and they had to leave the country so we managed to catch them for a year or longer, and they have been working for us in some of our hospitals with considerable satisfaction. This is a temporary situation, however, but it has resulted in a numerical improvement over our condition last year.

Mr. MACEWAN: I have one further question.

You mentioned that you had a school for nurses aids or assistants in Halifax.

Mr. CRAWFORD: Yes.

Mr. MACEWAN: Do you have full classes in that school?

Mr. CRAWFORD: Yes. Applications are always as high as our capacity to accept.

Mr. MACEWAN: How many are provided for your hospitals?

Mr. CRAWFORD: We train 50 girls per class, or something in that order. We do not employ them all ourselves. I think it is fair to say that they are all going into the work for which they are trained in some community, mainly in the maritimes, but a good many of them do stay with us and we send them to Sunnybrook, to Winnipeg and so on, and they work as nursing assistants in our hospitals.

Mr. GROOS: You mentioned the shortage in certain hospitals. Can you remember offhand what the shortage is, if any, in Victoria?

Mr. CRAWFORD: I can tell you that exactly, Mr. Groos. In Victoria at the end of August, 1964, I was only three short in an establishment of 78, which is not bad.

Mr. HARLEY: I would like to ask a question of procedure. I am a little mixed up here in my estimates. I assumed we were dealing with Item 15 but it seems to me the questions we are dealing with now are actually under Item 30.

Is Dr. Crawford going to deal with Item 30 now? I have some questions to ask under that item.

Mr. CRAWFORD: I would prefer to deal with Item 15 first. This item of \$2,650,000 is for various allowances. In the main these allowances are treatment allowances. This, principally, is an allowance to pay a disability pensioner a sum which brings his disability pension payment up to 100 per cent for the period during which he is in hospital. In other words, if a man is 50 per cent disabled and receives a 50 per cent pension we say that while he is undergoing treatment for that he is in fact 100 per cent disabled and we pay him a treatment allowance—the difference between his pension and a 100 per cent pension, less a few dollars.

Mr. O'KEEFE: Under Item 15, which I notice has to do with the Veterans' Land Act—

Mr. CRAWFORD: That will be dealt with by Mr. Pawley under Item 15. I am interested in Item 15 only to the extent of the \$2,650,000; it is subvote 55 in Item 15.

The CHAIRMAN: Are there any further questions under Item 15 for Dr. Crawford?

Mr. GROOS: Am I right in my interpretation that this is largely for giving a 100 per cent pension to people who are in hospital for treatment relating to a partial disability while they are being treated for that? The figure seems to be reducing every year. How do you explain that?

Mr. CRAWFORD: The number of pensioners is reducing every year, Mr. Groos. However, the \$2,650,000 is not entirely made up of this allowance. Another item in this is a special treatment allowance which we pay to paraplaegics who are in receipt of attendant's allowance from the pension commission. When they go to hospital the attendant's allowance ceases. We feel that they still have to retain contact with the person they have hired as an attendant, and we pay them an allowance for two months after they have been admitted to hospital to enable them either to continue the association or to bring it to a tidy close.

The item also covers a comforts' allowance which we pay to needy veterans in hospital at the rate of about \$10 a month.

Mr. GROOS: It is just a reduction in the number of veterans that leads you to forecast this general reduction?

Mr. CRAWFORD: That is right.

Mr. HARLEY: Does this include the allowances which used to be paid to students going through university—

Mr. CRAWFORD: Not in my particular vote for allowances; this would be a welfare rehabilitation allowance.

The CHAIRMAN: Are there any further questions, gentlemen, that you would care to put to Dr. Crawford?

Let us turn to page 508, Item 30:

#### TREATMENT SERVICES

**Vote 30—Operation and maintenance including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year for hospital, prosthetic 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 (formerly Vote 15)

Salaried Positions:

Administrative and professional:

- Senior officer 3 (\$17,400-\$19,000)
- Medical specialist 2 (\$13,800 and up)
- Medical officer 6 (\$16,400-\$17,400)
- Medical officer 5 (\$14,800-\$15,800)
- (\$12,000-\$15,000)
- (\$10,000-\$12,000)
- (\$8,000-\$10,000)
- (\$6,000-\$8,000)
- (\$4,000-\$6,000)
- (Under \$4,000)

Technical, operational and service:

- (\$10,000-\$12,000)
- (\$8,000-\$10,000)
- (\$6,000-\$8,000)
- (\$4,000-\$6,000)
- (Under \$4,000)
- (Part Time)
- (Seasonal)

Clerical:

- (\$4,000-\$6,000)
- (Under \$4,000)
- (Part Time)

Prevailing Rate Positions:

(Full Time)

	\$
Continuing establishment .....	39,010,000
Casuals and others .....	140,000
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Salaries and wages (including \$600,000 allotted during 1963-64 from the General Salaries Vote for increases in rates of pay) .....	39,150,000
Overtime .....	300,000
Allowances .....	53,500
Hospitalization in other than Department of Veterans Affairs Institutions .....	3,000,000
Fees—Doctors and consultants, Department of Veterans Affairs Institutions .....	3,300,000
Corps of Commissioners Services .....	825,000
Canadian Red Cross Society—Arts and Crafts Program .....	129,800
Other Professional and Special Services .....	3,179,000
Travelling Expenses—Staff .....	175,000
Freight, Express and Cartage .....	43,000
Postage .....	50,000
Telephones and Telegrams .....	197,000
Publication of Medical Services Journal, Canada .....	9,500
Office Stationery, Supplies, Equipment and Furnishings .....	95,000
Materials and Supplies .....	8,925,000
Repairs and Upkeep of Buildings and Works, including Land .....	890,000
Repairs and Upkeep of Equipment .....	230,000
Light and Power .....	425,000
Water Rates, Taxes and Other Public Utility Services .....	172,000
Hospital Insurance Premiums or payments in lieu Thereof re War Veterans Allowance Recipients .....	1,375,000
Unemployment Insurance Contributions .....	49,500

## STANDING COMMITTEE

Travelling Expenses—Patients and Escorts .....	(22)	635,000
Laundry .....	(22)	310,000
Nursing Assistants—Trainees' Allowances .....	(22)	62,400
Sundries .....	(22)	92,000
Compensation for Loss of Earnings .....	(28)	64,000
		<hr/>
		63,736,700
Less—Recoverable Costs—Treatment of Patients, Staff Meals and Accommodation, etc. ....	(34)	21,400,000
		<hr/>
		42,336,700

	Expenditure	Revenue
1961-62 .....	\$ 61,965,632	\$ 20,714,268
1962-63 .....	63,452,608	21,179,162
1963-64 (estimated) .....	63,623,919	21,029,000

TREATMENT SERVICES—MEDICAL RESEARCH  
AND EDUCATION  
(formerly Vote 20)

## Salaried Positions:

## Administrative and Professional:

(\$10,000-\$12,000)  
(\$6,000-\$8,000)  
(\$4,000-\$6,000)  
(Part Time)

## Technical, operational and service:

(\$4,000-\$6,000)  
(Under \$4,000)  
(Part Time)

Salaries .....	(1)	250,000
Fees of Specialists engaged in Research .....	(4)	130,000
Other Professional and Special Services .....	(4)	7,000
Travelling Expenses—Staff .....	(5)	3,000
Special Research Drugs .....	(12)	1,000
Special Research Equipment .....	(16)	20,000
Medical Education .....	(22)	15,000
Miscellaneous Research Expenses .....	(22)	8,000
Travelling Expenses—Patients and Escorts .....	(22)	1,000
Compensation for Loss of Earnings .....	(28)	1,000
		<hr/>
		436,000

	Expenditure
1961-62 .....	\$ 359,825
1962-63 .....	405,282
1963-64 (estimated) .....	414,100

Prosthetic services—supply, manufacture and administration including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year for prosthetic and related services (formerly Vote 30)

## Salaried Positions:

## Administrative and Professional:

(\$10,000-\$12,000)  
(\$8,000-\$10,000)  
(\$6,000-\$8,000)



treatment which could be provided in a good chronic disease hospital. Only five per cent of our patient load was in need of the kind of acute, intensive care which our hospitals were originally designed to provide and which they are now equipped to provide.

This situation is causing problems. It has resulted in a decrease of interest in our institutions as medical teaching institutions, with the subsequent diminution of interest by the kind of professional staff that we have and on which our enviable reputation has been based.

In my view, the only way in which we can maintain the standard of treatment which we have established in our hospitals is to dilute this aging chronic disease population with patients of a younger age group and with more active disease.

How can this be done? There are perhaps two possibilities. The first is to open the doors of our hospitals to patients from the general community. This is fraught with a great many very grave disadvantages. In the first place, if you are familiar with the British North America Act—and I have no doubt you are—you will realize that the operation of hospitals and questions of health are strictly reserved to the provinces, with the exception of the old maritime quarantine hospitals which were a federal responsibility. It is true that the Department of Veterans Affairs Act allows the minister to make regulations governing the operation of hospitals for veterans. This raises a very interesting question of whether this part of the Veterans Affairs Act was indeed *ultra vires* of the parliament at the time it was passed, but I do not suppose anyone is going to challenge that.

There is a difficult and important constitutional problem because many provinces are extremely jealous of their prerogatives in this field.

Another disadvantage of opening our doors to community patients is that the medical profession would not be happy with this sort of arrangement unless indeed we opened our doors not only to patients but also to all community doctors, and this would strike at the policy which we have clung to very firmly for very many years of having closed staff hospitals, and on which we have relied for our maintenance of treatments standards.

Perhaps you feel that the attitude of the medical profession is not important in this connection, but it is important to me apart altogether from what my personal views might be. It is important to me because I am entirely dependant on the good will of the medical profession to staff these hospitals. We have very few full time physicians. The majority of our physicians are on a part time basis. We obtain them from university staffs. It is important to me that my relationships with the profession in the maintenance of these staffs is maintained.

Another consideration which I think is worth remembering is that our hospitals are filled with veterans with one degree of entitlement or another. We are operating at pretty close to 90 per cent capacity on an average. So, for every non-veteran we admit to our hospitals some veteran is going to have to be discharged some place else.

And, if I might have the temerity to say, one of the disadvantages of this solution rests with gentlemen like yourselves. Not a day passes that I am not subject to some degree of pressure to admit to our hospitals veterans or quasi veterans who are constituents of one or the other of you.

Mr. HERRIDGE: What is a quasi veteran?

Mr. CRAWFORD: One illustration of this, Mr. Herridge, is a young lad whose father was a veteran. His father served very well. The boy himself has no service. However, I am being pressed to admit him to one of our hospitals because of his father's service. This is the sort of thing I mean.

Mr. HERRIDGE: That is a new one to me.

Mr. CRAWFORD: I merely suggest that the situation would be even more acute than it is if we were expected to provide hospital services for everyone in a community. With all respect I suggest the House of Commons is far too large a body to serve as the board of management of a community hospital.

These are some of the reasons that we should not, as a federal department, open our doors to community patients. I suppose one alternative to doing this is to accept the fact that we are going to be devoted solely to the provision of chronic care for veterans. This raises the problem how we are going to get our veterans in need of acute care into community hospitals which are already full and, of course, it raises the very grave problem of changing our whole attitude toward the treatment of veterans. I think I would be required to staff such hospitals with full time medical staff, which is not going to be easy today because good physicians and surgeons who are willing to work for the department on a full time basis are very hard to find. So, on the basis of logic alone it seemed that the dilution of our patient population, which I think would be desirable, would best be carried out by having someone else operate departmental hospitals. I think of the situation we have in Edmonton, for example, where our active treatment is carried out in a veterans pavilion attached to a general hospital, a university hospital, or in St. John's, Newfoundland, where the beds not used by veterans are available for anyone in the community. If we cannot do that and if some other operating agency can do it for us, it seems to me a logical move to take advantage of this situation.

Now, Mr. Herridge asked how far this program had progressed. I suppose the answer to that is that it has not progressed very far at all.

Following the minister's speech on March 16 in the House of Commons we received inquiries or expressions of interest from almost every area in which we have a departmental hospital. I said "almost", but not quite; there were one or two who were not in the least interested. We have investigated all these inquiries. In most of them, when we made our position understood and explained to these interested provinces the requirements which we had for the protection of the treatment of veterans, explained the number of beds on which we would have to retain priority, and said that we would have to retain control of the admission policy, some of them immediately threw up their hands and said: "that's too tough for us". Others have said: "well, we think we might be able to meet these conditions with help."

Now, as I told you last year, if we are going to turn over any institutions we must first know what is going to happen to the veteran that needs admission to hospital. Are there facilities in the community which are adequate in our view to meet this need for acute care or chronic care or for whatever kind of care that is required? Now, if those facilities are not available in communities then it seems to me we should be prepared to assist in the provision of these facilities, which will be available not only for veterans but for other members of the community who need them.

I am not at liberty, Mr. Herridge, to name places. I think the minister indicated pretty clearly in his opening remarks that he was not prepared to name places so, obviously, I cannot, except to say that there are still two places in Canada where we think that a completely satisfactory arrangement might be worked out. It has not been worked out yet; we are working on it. If we can satisfy ourselves that the care of veterans is going to be adequately provided under some other arrangement then and only then would we feel free to proceed with the implementation of this program. We have taken a number of steps in a number of places which the minister has announced in the house. For example, in Saint John, New Brunswick, we have pretty well concluded an arrangement with the workmen's compensation board to take over the operation

of the Ridgewood health and occupational centre, which is equipped as a rehabilitation institute. It has a capacity of about 100 beds and we have been using only 30 of these beds as domiciliary care beds. The centre is equipped as a rehabilitation institute which will be useful to New Brunswick as such. Arrangement has been made with the workmen's compensation board of New Brunswick to take over the administration of this place and continue to give us the use of the 30 beds we are using, so we are not losing anything. We are contributing something to the province which will be extremely useful to them.

In Sunnybrook hospital we had two wards empty which I was unable to staff with nurses. We have rented these wards to Wellesley hospital to establish an arthritic unit. This is a different thing than opening our doors to civilians because civilians here are being admitted to the Sunnybrook wing of Wellesley hospital. The staff is supplied by Wellesley. We are selling them meals; we are selling them heat and we are selling them cleaning services. We are renting them a certain number of square feet of ward space at so much a square foot.

In Edmonton we have come to an arrangement with the province whereby we are trading the 75 bed domiciliary care institution at government house and the old Wells pavilion of university hospital which was in an advanced state of decay and, in my view, was not suitable for patient accommodation for a modern 150 bed institution close to the university hospital, which will serve us as a domiciliary and chronic care institution. We are helping in this financially in that we are assuming part of the cost of construction. But, as a result of this we will find that our veterans are being accommodated in a new, modern building instead of in the Wells pavilion, which was completely unsuitable, and instead of in government house, which was beginning to cost us a tremendous amount of money to maintain.

That is about as far as we have gone in respect of the implementation of the policy which was expressed. There are still a couple of places where we may go further, but until there is a greater demand and a greater interest on the part of the agencies which we would consider competent to take over these institutions I think that there will be no further advances.

Mr. CHATTERTON: Would you distinguish between chronic and domiciliary care cases so that a layman could understand the difference?

Mr. CRAWFORD: Here we are getting into an exercise in semantics, which is always dangerous. Obviously, it is impossible to draw a sharp line of distinction. But, in general terms, a person whom we regard as a domiciliary care patient must be able to get out of his bed by himself, get over to meals, to totter around to some extent and so on. A chronically ill patient, on the other hand, may or may not require a tremendous amount of nursing care. He may be completely bedridden and he may have to be turned in his bed because he is unable to turn himself. But there is for him really no hope of improvement; he is going to deteriorate slowly, perhaps blessedly more quickly, until he dies.

Mr. CHATTERTON: Which of the groups will require more medical care apart from nursing care?

Mr. CRAWFORD: Well, of course, the medical care is minimal in the case of the domiciliary care patient. We have sick parades. We have a visiting doctor who talks to these inmates at regular intervals and finds out if they have any medical complaints.

The chronic care case does not require much in the way of medical care unless there is some aspect of rehabilitation, and this sometimes is possible.

We are doing some very remarkable things. There are many cases of old veterans who have been completely bedridden and through the exercise of a great deal of medical effort, physical medicine particularly and other aspects of treatment, we have been able to get these old gentlemen out of their beds. They have been able in certain cases to get around in a wheelchair or on crutches, and so on. It has added tremendously to their joy of living. But, it really has not made very useful citizens out of them. There is not any hope or expectation that we are going to get them back into the community.

Mr. CHATTERTON: In general terms, if you had an institution which would give you optimum results could both classes be accommodated in that same institution? Would there have to be separate institutions? I am thinking of an ideal situation.

Mr. CRAWFORD: An ideal situation would be one where we had an active treatment institution for active intense care, the sort of thing like a good general hospital. We would have a chronic disease hospital which was pretty heavily weighted on the side of rehabilitation, physiotherapy, certain techniques and so on, and we would have a nursing home level, if you will. I mean the sort of place a man would live under some degree of supervision—that is, nursing supervision. In there we would have the senile cases, those that were confused and get lost, where we would see they did not get lost, that they got fed and were kept clean. These three levels would make an ideal sort of treatment arrangement.

Mr. CHATTERTON: Could you give us a general figure in respect of the cost per bed operation of each of such three operations?

Mr. CRAWFORD: Well, in respect of treatment, the operating costs are around \$30 a day. In respect of chronic care I think that operating costs would be \$15, and for nursing home care, dependent upon what you are providing, anywhere from \$7 to \$10 or \$12.

Mr. CHATTERTON: In the estimation of these costs do you include amortization of the capital cost of the building as well?

Mr. CRAWFORD: No, the figures I have given are in respect of patient costs.

Mr. CHATTERTON: And when you consider the cost of the structure the difference would be even greater?

Mr. CRAWFORD: The cost of the structures is a different thing. As a rough rule of thumb you have to say an active treatment hospital bed is going to cost you more than \$25,000 to build. A chronic care bed probably can be built for around \$15,000, or perhaps less, and a domiciliary care bed, \$7,000 or \$8,000.

Mr. CHATTERTON: If there were such institutions for chronic and domiciliary care, would the inmates thereof receive better medical treatment?

Mr. CRAWFORD: That is, in domiciliary care institutions?

Mr. CHATTERTON: I am thinking of their own needs.

Mr. CRAWFORD: I cannot give you a general answer. In some provinces I think the answer is that this sort of care now could be provided as well. I am thinking particularly of the province of Alberta, which has a very advanced social program, as you know, and nursing homes now have been brought under the control of the department of health in Alberta. Their standards are very high. These are fine domiciliary care institutions or homes, and they are looked after by very competent people. I regret to say that in some provinces there are some nursing homes which would not meet any reasonable man's idea of the standards of care required.

Mr. GROOS: Dr. Crawford, the minister made a statement or addressed the veterans of the Canadian Legion in Winnipeg and at that time he made a commitment that he would consult with service organizations—that is, the

veterans service organizations—before he made any final commitment in respect of any changes that would be made. An example was given a while ago in respect of the change that took place in Edmonton. At what stage do you envisage consultation with the veterans organizations? Also, how did this work out in the case of Edmonton; were the veterans organizations consulted and were they fairly content with this arrangement?

Mr. CRAWFORD: Mr. Groos, since this was the minister's commitment I think in all fairness I cannot answer all these questions. However, he did say this, and he meant it. He has told me repeatedly that before anything is finalized he wants the veterans in the area to know what is being done and why it is being done.

In the case of Ridgewood the president of the provincial command of the Legion was completely aware of what was going on at all times. In the case of Edmonton the dominion command of the Legion was advised of what we wanted to do and they expressed the opinion that since there was essentially no change, except one of improvement, they had no objections to it.

Mr. GROOS: I have a further question on a relative subject. In respect of these veterans chronic and domiciliary care wings or units that you are envisaging do you foresee any of these being built in any areas other than the areas that now have a veterans hospital? I am thinking of British Columbia; in Victoria and in Vancouver we have veterans hospitals and they are both in one geographic area in British Columbia. Do you foresee any of these perhaps being put up anywhere else?

Mr. CRAWFORD: Not under existing policies, Mr. Groos. This is a matter in which policy will have to be made and it will have to be made at a very high level.

I would like you to recall, if you will, that our original mandate in the treatment branch was to supply treatment which would assist all veterans to be rehabilitated back into civilian life after the war and to provide continuing treatment for service connected disabilities. Now, that was our original mandate and that is the basis upon which our hospital construction program was undertaken. For many reasons we have extended far beyond the terms of that original mandate and we are now asked to and do provide treatment for a great many veterans whose disability has no relationship to their war service whatsoever.

When I joined the department, having come from the army, where I liked to know what my authorities were before I did anything, I had to look for authorities in the Department of Veterans Affairs. I found we were working on a pretty tenuous sort of arrangement. I asked some questions and I was told that I had under my control about 9,000 beds. How I used those beds was left up to me, and whether I used them for active treatment, chronic treatment or for domiciliary care did not matter very much. However, that was the limit of beds that I was going to have. So far as I know, we are still working on that policy; in other words, I can do what I want to do with the 9,000 beds which I have, but I am not going to get any more. And, if we are going to increase this domiciliary care program and build other additional facilities for domiciliary care, I think you have to ask yourselves the question and provide an answer to the question as to why the Department of Veterans Affairs is doing this rather than the Department of National Health and Welfare or provincial governments, since the need for domiciliary care applies equally to all citizens of a province, and that the process of aging and the need for domiciliary care is no different in the case of veterans than it is for any other citizen of the province. Now, if you can satisfy yourselves and produce a satisfactory answer I have no doubt that the Department of Veterans Affairs, if instructed to do so, will get along

with the business; but, at the moment, anything we do beyond the treatment of service connected disabilities and now, due to long usage in custom, the treatment of recipients of war veterans' allowance, is done as an act of grace on the basis that we have existing facilities in which we can do it.

Mr. CHATTERTON: But is there not a difference so far as war veterans' allowance recipients are concerned? They are entitled to treatment by statute.

Mr. CRAWFORD: No, they are not. The War Veterans' Allowance Act makes no mention whatever of treatment. This is done on the basis—and it is a reasonable basis—that since we are providing war veterans' allowance recipients with the necessities of life, with food, shelter, clothing and so on, we should also provide them with medical care. I have no quarrel with this but also I must suggest we could quite properly discharge this responsibility with respect to these recipients of war veterans' allowance if we sent them to community hospitals or provided doctors in their own communities and paid the shot. Medically speaking, there is really no reason at all why I should require war veterans' allowance recipients to come into departmental hospitals. Disability pensioners are another thing; that is, the treatment of them is another thing. There are a great many reasons why a disability pensioner should be treated by my people but war veterans' allowance recipients could be just as well treated by their own doctors in their own communities.

Mr. HERRIDGE: Would not the department have records concerning the veteran in connection with his medical history which might be of some assistance to the department?

Mr. CRAWFORD: This is a matter of very minor importance. The fact a man was treated five years ago for an enlarged prostate is not really of tremendous importance if today he requires treatment for congestive heart failure; in any event, the doctor treating him is going to take a pretty careful history and draw his own conclusions. Also, our records are quickly available to any doctor treating a veteran on a doctor of choice plan. If he cares to write us we will tell him what we have done and so on.

Mr. HARLEY: Dr. Crawford, I wanted to ask some questions relative to the medical staff under your jurisdiction. I am thinking particularly of breaking them down into three groups: consultation services, full time medical practitioners in the hospitals, and interns. How short are you in numbers in respect of these three groups? If you are short, as I think you are in some areas, is it because the pay is insufficient or is it because of the type of patient who is now inhabiting a major part of the beds in hospitals?

Mr. CRAWFORD: You have divided the staff into three classes and we can deal with them on that basis. I will start with the part time people that I employ really on the basis of an annual honorarium although for administrative purposes, vis-à-vis the Auditor General, I pay them so much a half day. This allows me a certain amount of administrative elasticity but it has no important meaning in any other area. These men are the cream of the crop, and still an appointment to the Department of Veterans Affairs on this basis carries a distinction or accolade. These doctors are obtained in collaboration with university staffs. In view of the nearness of a university I do not experience great trouble in getting people on this basis. I do pay them. The most recent revision allows me to pay specialists \$40 a half day and \$20 a day for general practitioner types, of whom I have a few. And, I might say, they do earn their money. They are there for a far greater period of time than I pay them for. They are there at nights and weekends.

Mr. CHATTERTON: Are you restricted in the number you employ in this category or are you restricted by the amount provided in the estimates?

Mr. CRAWFORD: It is a financial matter. I am allowed a certain amount of money to do this and I distribute it almost in blocks to the various hospitals. I say: "all right, here is so much money with which you will employ part time staff". They make their own arrangement with the staff. For example, if doctor A is employed on the basis of 15 half days a month and he feels he would like doctor B to be on his service—incidentally, he is the chief of service—he can do this so long as he can employ him by adjusting the amount of employment of the other doctors who are working for him so the total is not exceeded. That is why I have this rather pleasant administrative flexibility.

In respect of the full time people this presents a rather different problem. My administrative medical people are all on a full time basis. I am referring to the superintendents and assistant superintendents of hospitals, medical officers in charge of admission services and so on. In some hospitals, Calgary, Saint John, New Brunswick, where we do not have university affiliation, quite a large proportion of my clinical staff are on a full time basis. In the main I have extremely good people and I am awfully fortunate in getting them because there is a tendency for doctors, who for one reason or another no longer wish to compete in private practice, to join the civil service. Sometimes these reasons are laudable and sometimes they are not. The tendency is for them to drift into full time employment and, particularly if they are veterans, to seek employment in the Department of Veterans Affairs. However, we have been extremely fortunate in respect of the full time medical doctors we have been able to attract to our service. I pay them up to a maximum of \$19,000 a year, so it is pretty good pay. However, they are not all getting \$19,000. Most who have been with me for a lengthy period of time are getting in the order of \$15,000 or \$16,000. I would say that I have no shortage of applications for full time employment except in some highly qualified specialists positions like radiology and these positions are always hard to fill. But, in the main there is no shortage of applications for full time employment. The difficulty comes in selecting good people.

With respect to interns and residents, this is getting to be a tremendous problem. Thus far in most of my hospitals we have been able to keep enough residents to keep afloat but only just. This is where the nature of our patient population is beginning to hurt. You must realize what a resident is; he is a graduate doctor aiming toward his qualifications as a specialist. He is training in general surgery or urology or whatever it is. He looks for a hospital in which to train to get this specialist qualification. Up until a few years ago we were flooded with applications for residency training. Really, the resident is the keystone on which treatment is built in a hospital. Now, the royal college has reduced its approval of our hospital in some places to one year. That is all they will approve in respect of our hospitals because they say this is all the experience a man is going to get. As a result, people who are looking for residency appointments as junior residents with the opportunity of advancing to chief or senior residents do not want to come to us except as a last resort; they are going to other hospitals where they can dig in and stay for a period of two, three or four years, complete their training and get their specialist qualifications. This is where our chronic patient load has hurt the most in respect of our medical staff situation.

Mr. CHATTERTON: Reverting to the question of domiciliary and chronic care cases, by your own figures with regard to the cost of construction and operation would it not be profitable or wise in some cases for instance, I am thinking of the Victoria veterans' hospital and the Shaughnessy hospital, where there is another general hospital almost adjoining—to build such structures right next to the hospital, thereby releasing certain wings, for instance, of

the Victoria veterans' hospital to the Jubilee hospital. Would that not result in a saving and better treatment for the domiciliary, chronic and active cases?

Mr. CRAWFORD: The Jubilee and Victoria veterans hospitals make a very good example, which lends itself to a very reasonable solution. I think the Jubilee hospital should take over the operation of the Victoria veterans' hospital as an active treatment institution and that there should be provided a corresponding number of chronic and domiciliary beds. Now, I have used those words deliberately. If we are giving the Jubilee hospital and the city of Victoria the building now composing the Victoria veterans' hospital I do not think it is unreasonable that the city should build the domiciliary place. But, this is a question of dollars and cents in which I am not involved. But, I do say that the Jubilee hospital should be running the Victoria veterans hospital as an active treatment hospital, giving us priority on sufficient beds for the active treatment of the veterans for whom we are responsible, and that there should be in addition to that facilities for chronic care and/or domiciliary care nearby.

Mr. CHATTERTON: The practical difficulty in this case is that the hospital board will not provide, and I do not think they have the authority, for chronic and domiciliary care cases, and in British Columbia the province has not provided that.

Mr. CRAWFORD: Yes.

Mr. CHATTERTON: So, would it not be up to the federal government? You say the original terms of reference were only for pensionable conditions from military service. But, the thing is veterans have come to expect the other treatment. Would it not be up to the federal government to provide such institutions and better service all around, thereby saving money as well?

Mr. CRAWFORD: I do not propose even to attempt to answer that question. What the federal government should do is not for me to decide.

Mr. CHATTERTON: But, there could be a saving of money and better treatment as well, regardless of who does it.

Mr. CRAWFORD: There could be.

Mr. HARLEY: I would like to refer to some specific items here in the estimates. Toward the bottom of page 508 mention is made of doctors and consultants in the amount of \$3,300,000 and then, below that, is set out professional and special services in the amount of \$3,179,000. Have you any detail in respect of what these other professional and special services would be?

Mr. CRAWFORD: In respect of fees for doctors and consultants we are asking \$3,300,000 in the estimates, and this covers the employment of the specialists and the general practitioners, which we talked about, who are employed on a half day fee basis. The item below that is for other professional and special services, and this provides for the cost of medical examinations and specialists fees in connection with the treatment of veterans in outside hospitals and for payments under the doctor of choice plan. We do a great deal of treatment in local communities now, paying the doctors for the services which they provide, and that is the reason for that item.

Mr. HARLEY: In comparison with the previous year the cost of that is up somewhat. Does that mean the cost is up or the number of people doctoring actually is up?

Mr. CRAWFORD: Probably both. Under the doctor of choice plan we pay on the basis of 90 per cent of provincial tariffs; that is, the provincial schedule of fees established by provincial colleges of physicians and surgeons. We have little control over this and if a provincial schedule is increased we pay an increased amount. Also, the numbers are going up because I am now in the

process of encouraging veterans to stay in their own communities because I have not room in our hospitals for them. We feel they should be kept at home and treated there.

Mr. HERRIDGE: In respect of that point what does the veteran do who is requiring hospitalization? For instance, what is the procedure if he is willing to stay in his own community?

Mr. CRAWFORD: I think the procedure is very well known to most veterans who make a practice of calling on us for help, Mr. Herridge.

First of all, any veteran eligible for treatment at our expense in an emergency contacts the nearest doctor and enters the nearest institution, and we pay for it. If it is an elective case we ask that the veteran first get in touch with us. He might say, for instance: "my back is sore and I would like to have someone look at it." We may tell him to come in and see us, in which case we pay his transportation expenses, or we tell him to see his own doctor and have his own doctor send a report and we then pay the doctor. So, in emergency cases there is no problem, and in elective cases we like to make the decision whether the man is treated by us or treated in his own home community. The reasons that lead us to decide one way or the other are several. One of them is the adequacy of the medical skill for dealing with what this complaint seems to be. We may feel it quite safe and reasonable to leave the man in his own community. Also, if we feel that we are going to be faced with a very long term illness at a great medical cost it may be better for us to bring the man in, pay his transportation expenses and have him treated by doctors that are being paid whether they work or not. All these factors have a bearing.

Mr. CHATTERTON: At the middle of page 508 "technical, operational and service" is set out. Could you explain the large change in those earning under \$4,000 and those earning between \$4,000 and \$6,000? I am referring to the number of personnel involved.

Mr. CRAWFORD: I do not think the numbers have changed any.

Mr. CHATTERTON: It would appear to me that the number earning between \$4,000 and \$6,000 have increased.

Mr. CRAWFORD: The amount of money has increased considerably because of the revision of salaries which automatically took place.

Mr. CHATTERTON: And, that is the whole explanation for it?

Mr. CRAWFORD: I think you will find that the total number of positions is the same as last year.

Mr. CHATTERTON: I am advised that in respect of the Victoria veterans hospital there was an order, limitation or restriction imposed upon them with regard to the number of personnel and the total sum of money allocated, and there was somewhat of a reduction in respect of both of these? Is this the general practice or was it because the Victoria hospital was considered to be overstaffed, too expensive, or what?

Mr. CRAWFORD: No; Victoria veterans hospital is not being discriminated against in any way.

The question of establishments and the number of people involved in any one hospital always is a question of dispute. The local authorities in any hospital invariably feel they do not have enough people to do the job. Other people, in comparing the operation in one place with the operation in another place, may feel that some adjustment in staff should be made. So, we send throughout the country every year what we call an establishment review committee. The job of this committee is to try and determine, after discussion with local authorities and in view of what is done elsewhere, what a reasonable establishment is

for the kind of operation that is being carried out, and then the hospital is told: "all right; this is what your establishment will be." If it is rather more than they asked for they are happy and if it is less than they asked for they are unhappy. You cannot have it both ways.

Mr. HARLEY: I have a question to put in respect of nursing assistants. It has nothing to do with the item in question. But, has the nursing assistants' course at Sunnybrook hospital been discontinued?

Mr. CRAWFORD: Yes, I discontinued this course in Sunnybrook hospital five or six years ago simply because I was not getting the applicants at Sunnybrook, whereas I am able to fill my school at Halifax.

I was falling flat on my face at Sunnybrook and Queen Mary. Also, at that time in Toronto a couple of other schools for nursing assistants sprung up. So, I am buying nursing assistants now rather than training them.

Mr. HARLEY: My last question relates to medical research and education. Could you tell us what is being done in that field?

Mr. CRAWFORD: Well, this is a pretty fixed vote, and it is to cover two things, medical research and the education of my full time technical people. I take a slice off the top of this every year and earmark it for sending people away on refresher courses of one kind or another. This involves technical people of all kinds and professional people, nurses, technicians, doctors, and all sorts of things. The balance goes to medical research.

We really embark on medical research for two reasons. First of all, we want to add something to the sum of medical knowledge. But, really that is incidental to the main reason. Because of the kind of medical staff we have in our hospitals they are interested in teaching and in research, and if we do not have a research program going in our hospitals we increase our difficulty in getting the kind of treatment staff we want. We have about 86 projects paid for under this. Two very expensive ones have to do with problems of blood coagulation and the effect on heart disease and coronary diseases. One expensive one deals with Parkinson's disease; it is a disease of the central nervous system, which mainly affects older people. In general, I think it would be safe to say that the majority of the research projects which we support under this vote are connected with the so-called degenerative diseases, which are the kind of things that are causing us the greatest problems in the type of patient with whom we now have to deal.

Mr. CHATTERTON: Could you tell me to what extent autopsies are carried out when a disability pensioner dies in a veterans hospital?

Mr. CRAWFORD: Well, our laboratory is almost swamped beyond capacity in coping with autopsies because we work on the basis of all good teaching hospitals, that an autopsy should be carried out in every case where it is possible to do so. Because of this we do a great many routine autopsies, which really do not teach us very much. But on the other hand, we cannot afford not to do them because we may miss one that is going to teach us a very great deal. As I said, our autopsy rate is extremely high. Our rate is far higher than any other hospital in the country, and I think I can say that quite safely for several reasons. Many of the veterans who die have no next of kin who can give or deny permission for an autopsy. We, the department, are in the position of parents in these cases, and in other cases the families seem quite willing to grant permission for an autopsy, knowing that we are a teaching hospital and that we really are interested in the information we are going to get from performing an autopsy.

Mr. CHATTERTON: Is there an arrangement with other hospitals that when a veteran dies at such hospitals they carry out an autopsy mainly in cases of a

disability pensioner for the purpose of establishing the cause of death and how it relates to his pensionable disability? I have in mind the case of a disability pensioner who died in the ambulance on the way to veterans hospital and the ambulance driver dropped him off at the Jubilee hospital. The widow maintained that if he had been taken to the veterans hospital an autopsy would have been performed and there would have been no question of the cause of death being related to his pensionable disability.

Mr. CRAWFORD: I am afraid there is no such arrangement. It would be extremely difficult to make one that would cover this sort of situation. Doubtless, the man arrived at the hospital dead. Perhaps it was only realized he was a veteran after he was buried. There would be a great many practical difficulties in this respect.

Mr. HERRIDGE: Because of the particular experience and type of patients your department handles is there any exchange of information with other commonwealth countries or with the United States bodies doing similar work?

Mr. CRAWFORD: I think there is a very good liaison between the United States veterans administrations and ourselves. I receive a great many personal letters from people in veterans administrations in the United States asking questions and, similarly, from the United Kingdom. I am writing the same sort of letters to people I know in both these administrations. But, I think perhaps the greatest media for exchange of information are the ordinary technical journals. Our doctors and other technical people publish a tremendous amount in the technical and professional journals in respect of what is being done in veterans hospitals, and this information is available to all sorts of people.

You will note I am asking for a certain amount of money here to subsidize the *Medical Service Journal*, which is the journal which is published by the Department of National Health and Welfare, the Department of National Defence and ourselves. However, we carry the lions share of this and make the greatest use of it. If we think that certain experiences which are interesting are not too suitable for the larger journals we publish these in this journal, which goes to all medical libraries and so on.

Mr. HERRIDGE: That would provide a very useful service.

Mr. CRAWFORD: Yes.

Mr. MACRAE: Mr. Chairman, if it is not your intention to adjourn for a few minutes I have a question I would like to put.

I would like to ask Dr. Crawford what percentage of the patients in veterans hospitals today would come under the disability pensioner group. What percentage are actually war veterans' allowance recipients and what percentage would fall in other categories such as the R.C.M.P., the military and so on?

Mr. CRAWFORD: I have that information here. Could I take the month ending July 31?

Mr. MACRAE: You may take any period you wish.

Mr. CRAWFORD: This is the last one we have done. There are two categories here. We have general treatment and combined treatment, which includes mental disease. However, excluding for the moment mental disease patients, disability pensioners accounted for 7.4 per cent of my patient load. Including mental, that figure goes up to 14.5 per cent. So, of the 6,300 patients in departmental hospitals on that day, 905, or 14½ per cent were in for the treatment of a pensionable disability. Armed forces and mounted police accounted for 4½ per cent or 236 people. Other federal departments, which would be sick mariners who come to us by virtue of the Canada Shipping Act and so on,

account for 1.6 per cent or 86 people. War veterans' allowance recipients receiving more or less active treatment, which would include the chronic care requiring a good deal of nursing care, accounted for 20 per cent or 1,055 people. In respect of the people classed as domiciliary care but who, in fact, might need a great deal of nursing care and most of whom are war veterans' allowance recipients accounted in July for 49 per cent of my population, although I cannot give you a more exact breakdown on that. Veterans who were seeking treatment on an elective basis—that is, those who have no real entitlement to treatment but have the privilege of coming to a veterans hospital if we have a suitable bed available—accounted in July for 14.3 per cent of my patient load.

Mr. MACRAE: There is only one figure that is not quite satisfactory to me and I do not mean to infer that you are not giving it in a proper way. The answer is just not satisfactory for my purpose. I am referring to your figure of 49 per cent, of which you say "most" are war veterans' allowance recipients. Could you break that "most" down. If you are unable to at the present time perhaps you could do that later.

Mr. CRAWFORD: Well, it might be possible.

Mr. MACRAE: Perhaps you could do that after some study of it. If you do not have it now there is no great rush for it. However, I would like to know eventually.

Mr. CRAWFORD: If you like, I will make an effort to do so. But, I will have to contact the district offices to find out the required information. If I picked one hospital would that be sufficient?

Mr. MACRAE: Yes, you could take Lancaster, if you wished.

Mr. CRAWFORD: You want to know how many of the section 29 UTR patients are in receipt of War Veterans Allowance.

Mr. MACRAE: Yes, and if you took Lancaster that would be satisfactory to me.

Mr. CRAWFORD: Yes.

Item 30 agreed to.

The CHAIRMAN: If we could call item 35 now we could let Dr. Crawford speak to that and then let him go on his way.

35 Hospital construction, improvements, equipment and acquisition of land. . . . . \$ 3,294,000

Mr. CHATTERTON: Mr. Chairman, I have one question in respect of that item.

Could Dr. Crawford give us some breakdown of the increase in hospital construction and improvements. I am interested only in the major construction projects.

Mr. CRAWFORD: I really cannot say why we are spending more money one year than another; I can tell you what we are doing with that money.

We are extending an operating room suite in Camp Hill hospital, in the amount of \$250,000. We are re-locating some power lines at Ste. Ann's in the amount of \$40,000; a standby generator at Sunnybrook in the amount of \$300,000; renovating the heating plant at Westminister, in the amount of \$225,000; altering the surgical and X-ray department of the Westminister hospital, in the amount of \$150,000; improving the laundry at Westminister hospital, in the amount of \$20,000, and putting in an elevator there, in the amount of \$40,000; changing boilers in Deer Lodge hospital, Winnipeg, in the amount of \$60,000; for a new veterans home in Saskatoon, replacing the old

one built on the airport, an expected amount of \$585,000; putting in some extensions and alterations to the laboratories at Shaughnessy, at a cost of \$500,000. Then we have an additional number of projects which individually cost under \$15,000; I am thinking of relaying floors and that type of thing. The amount is \$200,000 for that category of work.

Mr. MACE: If I could answer specifically the first part of Mr. Chatterton's question the reason for the increase, as you may recall, is that the government introduced an austerity program, as a result of which our 1963-64 appropriation was reduced considerably. So, we have reverted in 1964-65 to a more normal process, which accounts basically for the increase.

Item 35 agreed to.

The CHAIRMAN: There is part of one more item which I would like to have discussed this morning and then we would have only the one item left. I am referring to "burials and memorials", the details of which are at page 503, and this would come under item 15. Mr. Black is here and will be glad to answer any questions you have in this connection.

- 15 Other benefits including treatment and related allowances, burials and memorials, the training of certain pensioners under regulations approved by the governor in council 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 . . . 5,340,100

The CHAIRMAN: Are there any questions?

Mr. O'KEEFE: I was not clear in respect of an answer given some time ago with regard to comparison of salaries. I asked for a comparison of the salary paid to the caretaker at Beaumont-Hamel and the salary paid by the war graves commission for the same duties elsewhere.

Mr. MACE: I cannot answer your question because I do not know how it relates. The salaries for these locally engaged people are set by treasury board and are relative to the same jobs at the foreign post. Quite frankly, we in the department just do not know what the situation is.

Mr. O'KEEFE: In connection with payments for veterans funerals has any consideration been given to increasing the amount allotted? My understanding is that there is a lump sum paid at the present time.

Mr. BLACK: The maximum provided by the regulations for D.V.A. veterans funerals is \$277. This was increased only a few years ago. We have had no recent representations nor is there any present intention to increase that.

Mr. CHATTERTON: Does this cover the war graves commission as well?

Mr. MACE: Your question was to the effect if this covered the commonwealth war graves commission?

Mr. CHATTERTON: Yes.

Mr. MACE: Yes, it does, but you must understand this is Canada's share of the cost of maintaining the commonwealth war graves, and the amount is \$476,000.

Mr. O'KEEFE: Can you tell me how many Newfoundlanders have taken advantage of the Veterans' Land Act?

Mr. HERRIDGE: Mr. Chairman, I have one question on a related subject. There are a number of cemeteries being flooded on the Columbia river as a result of this awful treaty. Numerous veterans have been buried in these cemeteries, and the department has supplied headstones. Has there been any correspondence with the British Columbia Hydro and Power Authority in respect of how these graves will be treated and what disposition will be made of the headstones. As you know, most of these cemeteries will be submerged.

Mr. BLACK: We have received no correspondence whatsoever on the subject.

Mr. HERRIDGE: From no source?

Mr. BLACK: No.

Mr. HERRIDGE: What would be your approach to this question?

Mr. BLACK: We would have to study this matter. If these are veterans graves for which the department is responsible I presume, we would have to relocate them in a suitable alternative cemetery. The problem has not arisen and I am afraid we would have to study it before giving an indication of a solution.

The CHAIRMAN: Gentlemen, I would like to have item 15 adopted. As you know, yesterday we discussed certain sections of this item and I would now like to have the whole item carried.

Item 15 agreed to.

The CHAIRMAN: That leaves only the Veterans' Land Act for our next meeting, which will be held next Tuesday morning at 9.30 a.m. in this room.

TUESDAY, October 6, 1964

The CHAIRMAN: Gentlemen, we have a quorum. I would like to call upon Mr. Pawley, who will make a few introductory remarks.

Mr. R. W. PAWLEY (*Director, Veterans' Land Act*): Mr. Chairman and gentlemen, with your permission I would like to introduce some of my staff.

The CHAIRMAN: Thank you.

Mr. PAWLEY: I have with me today, Mr. Chairman, Mr. Strojich, who is the acting senior administrative officer, and who has already been introduced to you; Mr. Hugh Lamb, who is the superintendent of the construction division at head office; Mr. M. G. MacArthur, who is the superintendent of the property and security division at head office; and Mr. W. F. Thomson, who is the acting superintendent of our farms division.

I would like to make a brief statement and pass out some information together with our most recent brochure.

Table A—provides a record of our activity of new business as it concerns farms, small holders, commercial fishermen and others.

Table B—provides information of a more static nature and gives some indication of the overall picture.

After 45 years, the last soldier settler who had an agreement for sale with the director has been issued a deed to his property. This almost marks the end of an era but one soldier settler remains for whom the director holds a mortgage. Remaining unpaid on this mortgage is the sum of \$10 which the old gentleman refuses to pay feeling secure in the knowledge that his mortgage is in safe hands.

Our administrative costs, largely contained under Vote 40, bear a relationship to the volume of business which is performed. Tables A and B reveal the fairly consistent volume of business one year with the next. The total expenditure in loans, for the early part of this year, is down about 6.5 per cent, which means very little change from the previous fiscal year.

In spite of the fact that the trends imply the volume of business will decline only slightly for the next fiscal year, this in all probability will again be offset by an increase which normally follows any amendment contemplated to the act and which was indicated by the Minister in his opening remarks to this committee.

We have forecast reasonable savings in legal fees, travel costs, telephones and expenses for regional advisory committees. As time goes on, with good planning and proper utilization of staff, a continued downward trend in our costs should result. On the opposite side of the ledger, as costs reduce our interest return on investment increases, and it is proposed that fees for our appraisal services to other departments will be charged.

Concurrent with the Glassco commission report and knowledge gained from training courses, our administration is alert to the principles of improved financial management. Consequently, we are contemplating a reduction of the use of outside members for the qualification of veterans; it is our intention to reduce the maintenance of building insurance records and let the veteran be responsible for keeping his own insurance in force; we are introducing techniques into the administrative operations which will permit better long-range planning and a less complicated method of producing Estimates.

As of November 1, 1963, the 14,300 farmers established under the act owed the director \$5.8 million in due payments. As of August 20, this had been paid except for \$177,000 or only 3 per cent of the total due. It is expected that 1963/1964 will be the best farm collection year since inception of the act.

On March 31, 1964, the 33,000 small holders owed arrears of \$100,000—which represented 1 per cent of the \$10 million due.

As the result of permitting veterans to pay taxes with their due payments, together with other reasons, the tax arrears of over two years have been reduced 30 per cent for small holdings and 20 per cent for full time farmers during a one-year period. The number of veterans who have made arrangements to have their taxes paid in this manner has increased from 3,200 in December 1962 to 11,350 as of October 1964.

While the procuring of VLA life insurance has not been as great as anticipated, nevertheless there are nearly 6,000 policies in force with total coverage of approximately \$30 million. Insurance has been paid to beneficiaries amounting to \$66,000, representing 15 policies.

During the past winter, 187 veterans qualified for the \$500 incentive bonus. The value of the housing for those who qualified totalled \$2,244,000.

If the provisions of the act can be brought up to date and those presently serving in the armed forces maintain an interest in obtaining assistance, it is my forecast that our business may show a small decline during the next two years but a last-minute upsurge just prior to 1968. Since the act now stipulates that no person can be qualified after October 31, 1968, this will mean that about 20,000 qualified veterans will have to be dealt with after that date.

When this is complete, the administration will adopt the role of housekeeper for about 40,000 to 50,000 veterans who will have agreements for sale with the director. Under the Soldier Settlement Act, it took over 40 years before the last settler had paid his debt and was granted title to his property.

The CHAIRMAN: Thank you very much, Mr. Pawley, for that very interesting talk.

The items with which we will deal today are 40, 45 and L55. We will then turn to item 1, which deals with administration.

May we therefore now turn to page 511 and deal with item 40:

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 ..... 4,330,600

Mr. HERRIDGE: Mr. Chairman, the director mentioned the question of advancing the date. Are there any implications in that statement? Are there any details of the act that require to be brought up to date?

Mr. PAWLEY: Mr. Herridge, I think there are other implications, but I am not prepared to divulge them at this particular time.

Mr. CHATTERTON: May I first say to the director that, as far as I am concerned, co-operation with him and his staff has been very satisfactory.

On the table which you have given us there are no figures quoted for the number settled under the Small Family Farms Act; I think it is 64(A).

Mr. PAWLEY: Mr. Chatterton, I cannot give you that information precisely. I think I can give you approximate information.

Mr. CHATTERTON: That is good enough.

Mr. PAWLEY: In 1962-63 we established 267 new settlers as full time farmers. In 1963-64 we established 242 new settlers as full time farmers. Very few of these came under the small family farm establishment. The provisions of the act for small family farms were introduced in 1962 mainly to take care of those veterans already established. I would venture to say that there were not probably more than 25 during the one year, and I think I am being a little liberal in that respect.

This group, however, does obtain additional assistance under the act, and in 1963-64 we loaned money to 388 farmers in this category.

Mr. HERRIDGE: Could you give us the distribution by provinces?

Mr. PAWLEY: I am sorry, Mr. Herridge, but I have not the distribution figures. However, I see that Mr. Thomson has the answer to that question.

Mr. W. F. THOMSON (*Acting Superintendent, Farms Division*): These are all the veterans who have had 64A loans. British Columbia, 53 or 65 per cent. Sixty five per cent of the farm loans made in British Columbia were for the small family farm type of loan.

Mr. PAWLEY: Are you interested in any other province, Mr. Herridge?

Mr. HERRIDGE: Has Mr. Thomson the figures for the other provinces?

Mr. THOMSON: In Alberta, 50 per cent of our loans were of this type. In Saskatchewan, 20 per cent of our lending to full time farming was to the small family farm type of farmer; Manitoba, 35 per cent; Ontario, 20 per cent; Quebec, 70 per cent. Across Canada as a whole, about one third of our lending has been to the small family farm type of farmer.

Mr. HERRIDGE: Is there any particular type of small family farm that seems to be favoured?

Mr. ROCK: Do you mean such as fruit farming and that type of thing?

Mr. HERRIDGE: Fruit, or stock, dairy or poultry.

Mr. PAWLEY: We do not keep this record separately. We have the impression that there is no particular type of farming to which this applies more than to any other type.

Mr. HERRIDGE: Have you any instances of lending money for a small family farm which included some element of tree farming?

Mr. PAWLEY: There has not been enough to be significant, Mr. Herridge. As far as tree farming is concerned, we will loan money for certain aspects of course, but there has not been very much demand for assistance.

I would like to explain that the lending of money to a small family farmer is a little different from some other types. We expect in these cases that a farmer will have an outside income. While he is known in the area as a farmer and was established as a farmer under the act initially, he may have an outside income varying from a small amount to a substantial amount.

Mr. Thomson can give you some figures of income in this group.

Mr. THOMSON: We made a statistical selection in British Columbia to give us an idea of the position of our farm lending. I will just tell you briefly how the farmer derives his income and the approximate amount of income.

In the first loan, the man concerned is proposing to have a \$2,200 income from the farm after he obtains his loan, and he has \$1,000 from outside income. His method of farming is eggs and poultry, and his outside income is from other investments.

The man concerned in our second loan proposes to have a \$3,300 farm income as a result of the loan he will obtain from us, and he will have \$782 outside income. His farm income is from sheep, and his outside income is from a pension and from work in a packing house.

The next loan concerns a man who proposes to have a \$4,000 farm income and who has an income of \$3,200 from outside sources. His farm income is from trees and timber, and his outside income is from the saw mill.

The next loan concerns a man who proposes to have an income of \$1,600 from his farm and who has an income of \$3,400 from outside sources. His farm income is from milk and cream and his outside income is from appraisal. I think he is an insurance appraiser.

The next loan concerns a man who is dropping his outside income and who intends to concentrate on his farm.

Mr. PAWLEY: I think this sample and the figures has probably given you a pretty good idea of what we are doing in connection with lending to small family farms. I think I can safely say that this same pattern exists across the country, perhaps it has a little greater emphasis in some provinces than others.

Mr. O'KEEFE: Would those approximate figures apply to Newfoundland as well as to other provinces?

Mr. PAWLEY: As far as Newfoundland is concerned unfortunately there are not too many farmers of this type. However, I can give you a breakdown of our establishments in Newfoundland. There are no farmers established under section 64 in that province, but there are 19 provincial land settlements. I think most of these are farmers. There are nine commercial fishermen and 258 smallholders.

Mr. CHATTERTON: I am trying to find out why there are so few who use 64A. If I understand it correctly, smallholders are required to have steady employment; it is defined fairly rigidly. Is 64A not meant to be in between? Are the requirements too high? Why are there so few?

Mr. THOMSON: We have no figures to show the new numbers for 64A, but we have quite a number of new 64A loans, and I am basing this statement on my examination of each appraisal as it comes in the office; 64A is just as important and just as significant. Not only to new men but to men already established who are making very good use of these loans under 64A.

In the province of British Columbia, 65 per cent of the farming loans are in the 64A category. Of that percentage, about 11 per cent is for land, 4 per cent for debts on land, 47 per cent for permanent improvements, 8 per cent for purchase of livestock, 15 per cent for debts on cattle and 15 per cent for farm labour and taxes.

In British Columbia especially, our 64A loans are very good loans. The total debt, including outside debts, in British Columbia, are \$8,800 against a security in land only, not including livestock, of over \$17,000. So we have over 50 per cent equity in land security.

Mr. CHATTERTON: Would you say the \$12,000 is a limiting factor in many cases?

Mr. PAWLEY: I think Mr. Chatterton I had better deal with this particular point. There may be something in the suggestion you make. However, I would like to draw your attention to the fact that we have 14,000 farmers established under the act. Of those 14,000, in 1963-64, 1,268 had additional financial assistance, and of that group approximately one third were the small family farmers.

I think you will realize farmers spread their loans over the years, and in many cases there is some reluctance to borrow money. Actually, while I thought that the assistance provided for the small family farmer might be a little higher in number, nevertheless I am satisfied that the percentage of the total loans is in keeping with the situation as I see it.

Mr. HERRIDGE: Mr. Chairman, I think that is very interesting information. I think that is a very practical and sensible approach to this section of the act, and I know from personal experience numbers of men who have established themselves most successfully along the lines indicated by the illustrations given by the witness.

Mr. ROCK: Can you clarify your summary on the Veterans' Land Act with regard to small family farms and part time farming? According to your explanation, the man who runs a small family farm does so as a more or less part time job and is working somewhere else. Then there is the other section which deals with part time farming. Can you explain the difference between the two?

Mr. PAWLEY: It might be well to give you a brief summary of each category.

We refer to the top group of farms as the commercial family farm operated by farmers who are normally expected to be on economic farm units or who are heading in the direction of building economic farm units. The small family farmer is the person who usually is established on much less acreage and who obtains his income not only from the farm but from outside employment as well, but who was established as a farmer initially and who is known as a farmer in the area. The third category is that of the part time farmer to whom we refer as a smallholder. This is normally the veteran who is established on half an acre of land and who is employed 100 per cent in a city, in commerce, industry or government, or whatever the case may be, and who uses the property as his home and not as a place of business as in the case of the other two categories.

Mr. ROCK: Can the part time farmer live in a city and just dwell on his one acre of land during the summer?

Mr. PAWLEY: No, he cannot; he must reside on his property.

You will appreciate there are always one or two people who find it inconvenient to reside on their small holding outside a city. We take the attitude, however, that if a man wishes to have another property for the summer and to live in the city in the winter he would then buy the smallholding on an agreement for sale which would call for an interest rate of 5 per cent, and he would not be entitled to the benefits under the act.

Mr. ROCK: If the veteran has already used up his re-establishment credit, can he still go into this enterprise? I have in mind the 10 per cent down payment when the veteran first starts in the enterprise.

Mr. PAWLEY: Yes, by repaying his reestablishment credit.

Mr. ROCK: Even if his re-establishment credit is away over that 10 per cent?

Mr. PAWLEY: Yes, regardless of that.

Mr. O'KEEFE: Mr. Chairman, you said there were 19 provincial land settlements in Newfoundland. Can you tell me how many Newfoundland veterans take advantage of the Veterans' Land Act and other benefits that are readily available to veterans? If you have not the information available now perhaps it could be given later. I do not desire to hold up the committee, Mr. Chairman; I will be satisfied to have the information later.

Mr. WALSH: It is estimated that there are about 9,200 veterans in Newfoundland. I cannot supply you with any figures other than those which have already been supplied for the Veterans' Land Act. Is this satisfactory?

Mr. O'KEEFE: Perhaps I can get the 19 land settlements broken down by asking our own provincial office.

Mr. PAWLEY: We would be glad to supply you with that information if you would care to leave it with us.

I might mention that we have made it known in the province of Newfoundland that the director will consider establishments on provincial land property even on an average of less than half an acre. A veteran can thereby obtain a grant under section 38 of the act of \$2,320. This was made known to the group in Newfoundland by radio and by other means some two or three years ago. I feel that the greatest handicap here is that they must deduct the pre-confederation benefits, of which probably you are aware. As a rule this gives a net amount of about \$1,600, which apparently is not quite enough to do the things they want.

Mr. HARLEY: With regard to the Veterans' Land Act table "B", can you explain exactly what is meant by the last sentence which states "Veterans qualified not established"?

Mr. PAWLEY: Until now veterans have had to make application to be qualified. This is the first step in the process. Upon qualification and after consideration by a regional advisory committee these people are notified that they are qualified either subject to the repayment of the re-establishment credit or otherwise. The number of 20,022 who are qualified at the present time are those veterans who are on our books as having firmly indicated their desire to be established under the act.

I think you will appreciate, however, sir, that all these veterans are not apt to be established, but since inception there have been about 60 to 70 per cent established of those who are qualified, and it is not unreasonable to expect that out of this 20,000 there may be 12,000 to 15,000 established.

Mr. CHATTERTON: This is the group that would be eligible for establishment after October 31, 1968?

Mr. PAWLEY: Yes, unless they have cancelled or unless they have indicated they are not interested and unless, of course, they are established in the meantime.

Mr. CHATTERTON: At one time you used to carry out a purge whereby you went through all the old files and wrote to the veterans, and if they did not reply you automatically cancelled qualification. Do you still do that?

Mr. PAWLEY: Yes, we do that but possibly not quite to the extent to which we did so previously, and for this reason. As you know, the cut-off date in the act for qualifications is October 31, 1968. From now on we feel that it is necessary to have a pretty firm policy established not only for the Veterans' Land Act but for other parts of the department, and for this reason I would say that the purge is not quite as rigid now as it used to be.

Mr. CHATTERTON: But it is still going on?

Mr. PAWLEY: It is still going on.

Mr. CHATTERTON: Let us say veteran Jones is qualified and is issued a qualification certificate and is secure in the knowledge and is aware of the fact that as long as he is qualified he can get established after 1968. Let us say he moved to some other address and that you write to him and get no reply, and you cancel his qualification. He then comes to you on November 1, 1968, and you say to him, "I'm sorry, we cannot establish you because you are not qualified." He says, "I am qualified; I didn't ask you to cancel my certificate." What position will he be in then?

Mr. PAWLEY: Between now and 1968 there should be some extensive advertising so all veterans will know of their position in this respect.

Mr. CHATTERTON: Are you proposing to do this?

Mr. PAWLEY: This is a matter of departmental policy, which has not been discussed in detail as yet. As far as we are concerned, I would doubt very much whether we would disqualify a veteran at this stage unless we were absolutely sure, and this would mean a written statement from him that he was not interested in V.L.A.

Mr. LANIEL: Mr. Pawley, in your pamphlet there is mention of a provision to prevent speculation on pieces of land bought by a veteran from the director. I am wondering about this mortgage of ten years. It is said that it is to prevent speculation, but once a veteran buys land is there not some provision in the law whereby he has so much time to establish himself on that lot?

There is another question I have been asking myself. What happens if the veteran dies, let us say, four years later? Will his estate suffer because of that mortgage? Actually, this is not a case of speculation. The mortgage is for the difference between the fair market value and the price at which he buys from the director.

I admit it is a good thing to prevent speculation but I am wondering if it does protect a veteran's estate if he is unfortunate enough to die or to be sick, or if for some other reason he is forced to sell his property.

Mr. PAWLEY: I would like to say in answer that the second mortgage applies to a property that has been subdivided for part II purposes. Such a subdivision was developed recently on the outskirts of Ottawa known as Murchison Place. As you say, the second mortgage is for the difference between the market value and the selling price and it is in order to prevent speculation. The veteran taking advantage of part II under the act does not get any benefits other than our assistance in house construction and some legal fees which are paid for him by the department, after which his mortgage is transferred to C.M.H.C. at the current rate of interest. So there is no benefit in these particular cases.

Because the land was bought at a good price initially in 1944 many veterans could make a substantial profit in excess of the grants that are available under other sections of the act, and it was for this reason that the second mortgage was placed. There are only two subdivisions to which this applies, the one outside Ottawa and another in North Bay. This is a self-liquidating mortgage.

Mr. LANIEL: Ten years.

Mr. PAWLEY: It self-liquidates in ten years and the major portion is liquidated in five years. It would appear to me that if the veteran died the property would naturally go to the heirs. Assuming it would go to his wife, if she stayed on the property I would see no reason why any other disposition would be made of the second mortgage than would normally have been made if the veteran had lived.

Mr. LANIEL: But there is a possibility that the widow might have to sell her house and reorganize herself.

Mr. PAWLEY: In that case I think as director I would want to look at the circumstances and decide with the minister whether or not we could give special consideration to the case. I do not think we would be too hidebound in this particular case if it were proven to us that there was no speculation.

Mr. CHATTERTON: Do I understand that you have discretion to abandon that?

Mr. PAWLEY: We have discretion, with the approval of the governor in council.

Mr. CHATTERTON: With regard to part II, provincial land and dominion land, can you give me figures for 1963-64?

Mr. PAWLEY: The number approved for assistance under part II is 149 as of March 31, 1964.

Mr. CHATTERTON: How does that compare with the previous year?

Mr. PAWLEY: In the previous year the figure was 163.

Mr. HERRIDGE: Mr. Pawley, where are those settlements on provincial land located? Are they in all provinces?

Mr. W. STROJICH (*Acting Senior Administrative Officer, Veterans' Land Administration*): I cannot give the breakdown for the provinces. It depends upon the agreements that the government of Canada has with respective provinces.

Mr. HERRIDGE: They vary, do they?

Mr. STROJICH: The actual agreements vary to some slight extent depending on how the land is transferred and how the land is held, but basically the financial assistance is the same across Canada. The provinces with whom the government of Canada has agreements are British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick and Newfoundland. There is no provincial land available in Prince Edward Island and none in Nova Scotia. There is also an agreement with the Department of Northern Affairs and National Resources for establishment on a very similar basis in the national parks, in the Yukon and in the Northwest Territories.

Mr. HERRIDGE: Would you mind telling us what type of settlement occurs usually on this provincial land. What type of farming is it?

Mr. STROJICH: The type of settlement is largely, if I may use an expression which you will understand, the homestead type of farm. Then there are a number of small holdings on a very limited acreage. There are commercial fishermen and there are trappers, and there are some woodsmen.

There are some slight variations. For example, in Alberta there is a special agreement for the establishment of veterans on some of the newly irrigated land in the St. Mary and Milk river irrigation development. Land was obtained on a lease basis, very similar to any other leases they have in the province of Alberta, at very favourable rates. There are also developments such as those in the province of Alberta where the province itself has cleared land and the land has been made available for veterans under the Veterans' Land Act under the usual homestead lease provisions of the Province.

Mr. HERRIDGE: Is that the only province which has cleared land?

Mr. STROJICH: It is the only province with which I am familiar that has cleared land, but the province of Quebec has provided substantial assistance when, for example, the farmer himself has cleared land. In that case the province has paid a subsidy. There are also subsidies paid by the Quebec government when, for example, a house is erected or a barn is erected. This supplementary form of assistance is available in a number of provinces.

Mr. CHATTERTON: I notice there was a very substantial reduction in the part II loans—583 in 1960-61 and 285 in 1961-62. That was before the acreage was reduced for smallholdings, was it not? Is the advance under part II still \$10,000?

Mr. PAWLEY: The maximum assistance under part II is \$12,000.

Mr. CHATTERTON: I am speaking of the advance made for construction purposes.

Mr. PAWLEY: You mean the down payment?

Mr. CHATTERTON: No, I am speaking of the maximum loan under part II. It is an advance of \$10,000 and the balance of the mortgage is made available only after the house is completed. Is there any change?

Mr. PAWLEY: We advance \$12,000 to a veteran under part II. If his salary equates and if his house has sufficient value for mortgage purposes he can increase his loan to the maximum available under the Central Mortgage and Housing Corporation.

Mr. CHATTERTON: The advance is \$12,000 not \$10,000?

Mr. PAWLEY: The advance is \$12,000.

Mr. CHATTERTON: Then after the house is complete there is the balance of the mortgage?

Mr. PAWLEY: Under certain circumstances.

Mr. CHATTERTON: If his salary allows?

Mr. PAWLEY: Yes.

Mr. CHATTERTON: Is there any other reason for the decrease in the part II cases? Are you still putting up part II subdivisions? Is that a factor?

Mr. PAWLEY: No, it is not a factor. The single reason is that the half acre establishment under the act is much more attractive to veterans.

Mr. CHATTERTON: Have you any figures on the increased cost of construction, say in the last two years?

Mr. PAWLEY: Mr. Lamb will give you that.

Mr. H. LAMB (*Superintendent, Division of Construction*): I have them up to the end of 1963. The average cost for 1961 for housing was \$10,772; 1962, \$11,827; 1963, \$12,557.

Mr. HERRIDGE: For the same type of house?

Mr. LAMB: That is for all housing, Mr. Herridge. I have another figure here which may be of interest but unfortunately I only have it for 1963. For the type of house such as an \$8,000 to \$15,000 bungalow or house the figure was \$11,760. The upper figure, of course, was for two storey houses, bigger houses.

Mr. CHATTERTON: You have no figures to show how the 11 per cent increase in tax would increase the cost?

Mr. LAMB: Yes, I think I have. I can tell you offhand that it is about 2 per cent.

Mr. CHATTERTON: Is the \$500 winter bonus paid to the applicant himself or to the V.L.A.?

Mr. PAWLEY: Mr. Lamb can answer that.

Mr. LAMB: That is paid to the applicant himself.

Mr. CHATTERTON: And for smallholdings also?

Mr. LAMB: In all cases.

Mr. CHATTERTON: So he can go on a trip with it if he wants to do so?

Mr. LAMB: That is true. He gets it himself directly.

Mr. LANIEL: To follow up what you have just said—aside from the two cases you identified of property in the lower price market—in general your properties are sold at fair market value prices except in two cases? That is the impression you gave me. Why do these two cases exist if it is generalized?

Mr. PAWLEY: Recalling from memory, the provision was put in the act around 1952. It was put in the act, to use a famed expression, after the horse was stolen. There are two properties which give rise to the opportunity to make excessive profit by speculation and they are really the only two that have come up since that date, Mr. Laniel. I am referring specifically to the establishment under part II of the act. If we establish the veterans as smallholders on land that we own, under part I and part III of the act, then of course this does not apply. In this case, the veteran is sold the land at cost to the director and speculation is controlled because there is a conditional grant connected with his establishment.

Mr. LANIEL: The reason why I ask this is that I have been wondering why a veteran in Chateauguay, let us say, who buys some land you own should not have the same benefit, even admitting the fact that he can have a mortgage to prevent speculation, and why it should be impossible for him to buy the land at your cost price instead of at the fair market value as is the case in the two specific properties where there is that advantage.

Mr. PAWLEY: You are speaking of Chateauguay. If a veteran is established in Chateauguay under the act, this land will be sold to him at cost.

Mr. LANIEL: Which will be below the fair market value?

Mr. PAWLEY: It should be.

Mr. LANIEL: I was just trying to clarify the impression I obtained from what I have read here.

Mr. PAWLEY: As I recall the prices in Chateauguay, Mr. Laniel, I think because of the lack of demand—I do not think there is that much difference between our cost and the market value—we probably should not clutter up the title with a small second mortgage. In these circumstances we probably would not clutter up the title with a small second mortgage, but in cases where there is a substantial difference, we feel that we should protect the director from a greater risk of speculation.

Mr. ROCK: Can the veterans who are now established under the Veterans' Land Act also participate in the Farm Improvement Loans Act or in the newly proposed farm machinery syndicate act?

Mr. PAWLEY: Veterans established as farmers under the act can obtain assistance under the Farm Improvement Loans Act provided everything is equal. As far as the new assistance for farm machinery is concerned, I am afraid my answer in this connection has to be with some reservation because it is just this morning that I saw a copy of the bill. However, I would see no great barrier against a veteran established under the act obtaining a loan for farm machinery in the manner proposed. The only handicap that he might suffer is if he has not sufficient security and would have to offer his farm for a security because, as you know, the property is in the name of the director and cannot be used for security for purposes such as this.

Mr. ROCK: Suppose he has just a little balance left for repayment and he arranged to repay you through the other act, what happens then?

Mr. PAWLEY: This is possible, and it is being done to some extent.

Mr. CHATTERTON: I believe the maximum loan under the commercial farming provisions is still \$20,000; is that right?

Mr. PAWLEY: It is, under the Veterans' Land Act.

Mr. CHATTERTON: I know there has been an increase recently under the Farm Credit Act but if you have an indication of a veteran wanting to repay D.V.A. in order to use a larger loan under the Farm Credit Act, what do you do?

Mr. PAWLEY: We have not had any indication of veterans wanting to repay for this reason. It is rather interesting, as a sideline, that in a sampling of the loans made in June in two areas there were about five to seven per cent of the veterans who qualified for a loan of \$40,000. From this you can see that as far as money is concerned the larger amount does not seem to be too much of an enticement.

Mr. CHATTERTON: Of course those are already established. Presumably, if the government thought that farmers needed credit of up to \$55,000, then the V.L.A. farmers would not need more credit.

Mr. PAWLEY: I did not say that. I think that many of our farmers do require more credit.

Mr. CHATTERTON: If one of these farmers were to come to you now and say, "I want to pay out my V.L.A. loan so as to pay my farm credits" would you tell him to go away?

Mr. PAWLEY: I might tell him that the minister had indicated that there may be amendments, and that if he could afford to wait, this might be in his interests.

Mr. CHATTERTON: That is a good answer.

Mr. MACRAE: My question has to do with establishments. In table "B" the total number of staff for the V.L.A. is shown as 651. On page 511 of the estimates the establishment is shown as 795. Is it correct then that your department, Mr. Pawley, is working at 144 under the establishment?

Mr. PAWLEY: Actually the establishment, as it stands now for V.L.A., is 674.

Mr. MACRAE: It is shown as 195 on page 511, at the bottom of the second column of the estimates for 1963-64.

Mr. PAWLEY: This was the official establishment at the time these estimates were made up. The establishment that we are going on now is 674, and our actual number on staff is 651.

Mr. MACRAE: I notice there is a small decrease of 14 as between 1962-63 and 1963-64. Is it anticipated that there will be a continuing slight decrease each year?

Mr. PAWLEY: Yes, this is what we anticipate. As the work load declines and staff members reach retirement age or go to other employment it is not our intention to refill positions unless we feel that it is necessary. If it is necessary, we will, however, take steps to refill them.

Mr. MACRAE: In other words, you will not fill the redundant positions.

Mr. CHATTERTON: What percentage of your field staff are now handling both construction and small holding settlements?

Mr. PAWLEY: There are 30 field officers who are handling both construction and small holdings.

Mr. CHATTERTON: Is it working out well?

Mr. PAWLEY: Yes, it is working out very well. In theory it should be the ideal, and I think it is satisfactory.

Mr. CHATTERTON: Do those who qualify for both construction supervisor and settlement officer have a higher rating?

Mr. PAWLEY: Yes, they are classified as field officers, which is a slightly higher rating than construction supervisor.

Mr. HERRIDGE: Mr. Pawley, you know, indirectly at least, that I am very concerned about the veterans settled under V.L.A. or other veterans who will be affected by dams being built under the Columbia river treaty. I might explain I would like a fairly complete answer because I intend to send a copy of the minutes of this meeting to every veteran residing between Castlegar and Revelstoke.

My point is this: Could you explain to the committee, in view of the fact that you have a title in the name of the crown and you are dealing with an authority that operates in the name of the crown in the right of British Columbia, what is your legal position with respect to dealing with the properties that come under V.L.A. jurisdiction, and what your department proposes to do to assist these veterans? I might say I had a letter this morning from a veteran in the Shaughnessy hospital. I know him quite well. As a matter of fact, I will give you a copy of his letter. These veterans are very anxious to get the support and advice of the department.

Mr. LANIEL: What about the non-veterans?

Mr. HERRIDGE: I am looking after them, too, but this happens to be the department concerned directly with veterans affairs. I do not overlook anyone in my constituency.

Mr. PAWLEY: As I understood your question, Mr. Herridge, you have asked what the legal position of the director may be in this matter of expropriation as it concerns the Columbia river development. The second part of your question, as I understand it, is what do we propose to do to assist the veterans who are being expropriated.

Mr. HERRIDGE: Or whose property is being purchased.

Mr. PAWLEY: Yes. I think that you must appreciate that the director of the Veterans' Land Act and his staff who represent him in the field can only have some influence on properties in which he has an interest or in which the veteran has an agreement for sale with the director. As a result of many years of experience in this particular area of expropriation, which started in Ontario from 10 to 12 years ago, and having knowledge, in the second place, that veterans established under the act usually are pretty astute people, we attempt to take the attitude which would place them in exactly the same position as anyone would be placed if he were not under the Veterans' Land Act and had some slight protection. The legal position of the director is this; he cannot agree to a settlement in the case of either negotiations for the purchase of the property for this purpose or for any ultimate expropriation that may take place without the veteran's consent. The veteran has to consent.

Mr. HERRIDGE: That is a very important point.

Mr. PAWLEY: Otherwise, if the director agreed without the veteran's consent, he would be leaving himself liable to court action. However, the act prescribes, and I refer to the Veterans' Land Act, under section 24(a), that when the expropriating body and the veteran cannot agree on the amount of compensation for the property in question, then the expropriating body may apply to the director to seek authority from the governor in council to expropriate the land.

Mr. HERRIDGE: The governor in council of Canada? That is the great protection for the veteran.

Mr. PAWLEY: The director here again does attempt to act as a referee, and probably even before submitting it to the governor in council may do everything possible to get the expropriating representatives together with the veteran and attempt to work out a satisfactory settlement. If this is not possible, then it is submitted to the governor in council who give their approval, and then the case is heard before the appropriate expropriating body in the province, called the arbitration board.

Mr. CHATTERTON: Under the provincial law?

Mr. PAWLEY: Yes, and compensation is designated by this board. In this way they are placed on exactly the same footing as anyone else might be in that area. However, I will agree that in this particular set-up, under the Veterans' Land Act, the director is the owner of the land, and he has to be satisfied with the amount of compensation that he receives because of his liability, but he is not going to support the veteran beyond the point that he, in his wisdom, thinks is reasonable. If the veteran is not prepared to accept this amount, he is perfectly free to let his land be expropriated and compensation settled in the courts.

Mr. HERRIDGE: Well, Mr. Pawley, most of the veterans concerned, like most of the residents concerned, believe that they are entitled to relocation or to a satisfactory replacement value. Would you agree with that as a just approach?

Mr. PAWLEY: I am afraid, Mr. Herridge, you cannot get me to agree to that particular point. I would agree to it in certain circumstances, in other circumstances I may not. So that as a flat statement I am afraid that I could not go on record to this extent. I, as director, see all these cases before they are submitted to the governor in council. Up until that time I see very few, as a person. Because of this I would refuse actually to place myself in the position of saying that something is right or something is wrong without knowing precisely the grounds and what the circumstances are.

Mr. GROOS: In general, I would support Mr. Herridge in the statement that he made that, generally speaking, if the veteran is going to be expropriated

by a provincial authority, he is entitled to indemnity which will enable him to relocate.

Mr. HERRIDGE: It is either relocation or replacement value.

My question is this: Do you think that any veteran or any other property holder should be called upon to suffer a loss, a sentimental loss that cannot be compensated, owing to his being affected by a development which is presumed to be in the interests of Canada?

Mr. PAWLEY: Well, being a human being, Mr. Herridge, I cannot suggest that any person affected by something of this nature should bear any loss. Unfortunately, however, the interpretation of a loss in some people's minds is a little different from what it is in other people's minds. If it is a straight financial loss and can be proven, then I would agree 100 per cent with you that this person has no right to suffer a loss.

Mr. HERRIDGE: The reason for this formula being worked out and accepted by the residents on the Columbia river is that, surely, all those people, veterans and others, are entitled to relocation under similar circumstances, or, if that is not possible, to compensation equal to a satisfactory replacement value. In the long run, even if, in financial terms, the veteran or other property holder does not suffer any loss whatever, there are many intangibles that cannot be paid for. Would you support that thesis, Mr. Pawley? I am sure you would.

Mr. PAWLEY: I will say this, Mr. Herridge, and you know perfectly well that I am not going to commit myself definitely on this particular point. I think you know me well enough to realize that we are not going to get into this position as far as our veterans are concerned because I think that we can pretty well prove in one way or another that reasonable compensation has been paid. So that, to me, the question of loss is academic because I do not believe that such will exist.

On the other hand, I have had an up to date report from Mr. McCracken, who is in British Columbia at the present time and who was formerly my senior administrative officer and has been sent to British Columbia to get two years' experience in the field at the grass roots, after which he will come back to Ottawa. He has looked this situation over very carefully in the Columbia river area. In that portion of the area which has to be acquired before February we have three properties.

Mr. HERRIDGE: That is around the damsite?

Mr. PAWLEY: Yes. We have three properties in this specific area. Mr. McCracken said that one is settled, the second one is considering acceptance of the offer, and he knows nothing about the third one as yet. Now, I can only go on this report, and it seems to me that the authorities appear to be reasonably fair in their approach to this problem.

Mr. HERRIDGE: Thank you for that answer, Mr. Pawley.

I have been following the expropriations on the St. Lawrence seaway, some undertaken by the National Capital Commission, some undertaken by the Saskatchewan dam authorities. Now, is it not correct to say—and I am asking this question on the basis of a long discussion with one of the persons very closely associated with this development years ago—that on the St. Lawrence seaway the policy followed with respect to the purchase of property was relocation, which was done in most cases, or a satisfactory replacement value?

Mr. PAWLEY: I am not too familiar with the settlements on the St. Lawrence seaway as such. I will say this, Mr. Herridge, that having looked at quite a number of court cases on this very matter, time and time again the judge has indicated that the settlement was based on the cost of placing this person in a new location.

Mr. HERRIDGE: I think that principle has been enunciated several times by decision.

Mr. PAWLEY: I could, however, if time permits, probably draw other examples where this would not apply. But I do not think these should be mentioned as they are probably much less numerous. If the judge looks on settlements in this manner, far be it from me to look at it in any other way.

Mr. GROOS: Could I ask a supplementary question here? Could we have some idea of the numbers involved? Mr. McCracken reports there were three in the area of the damsite to be expropriated before February. What is the total number involved?

Mr. PAWLEY: Somewhere in the vicinity of 50.

Mr. ROCK: Mr. Chairman, I have a supplementary question. If a veteran whose land is expropriated by the provincial authorities wants to fight the case in a court, does the department help him out with the legal fees and with hiring an expert to prove his case of relocation, or does this have to come out of his own pocket?

Mr. PAWLEY: The veteran would have to be prepared to defend his own position in a court. I think this is only fair. If he wants something much beyond what the director or his representatives feel it is worth and much beyond what the expropriating body are prepared to give, then I think it is only right and proper that the veteran should be prepared to defend his own case in court.

Mr. ROCK: Do you not find that it is very expensive if he has to go through this procedure?

Mr. PAWLEY: Well, court action as a rule is always expensive. I think it is a matter of degree whether or not the compensation he is seeking is reasonable.

Mr. CHATTERTON: Can that veteran's lawyer subpoena your file on the veteran, or must you consent? Has it happened? Has the question arisen?

Mr. PAWLEY: It has not happened but it would be quite possible and legal, I presume, to subpoena our appraiser into court in these circumstances.

Mr. CHATTERTON: I have another supplementary question. Is it possible or likely that the governor in council, under section 24(a), would consent to arbitration, providing the expropriating body guarantees payment in the amount that you establish is fair?

Mr. PAWLEY: I think, Mr. Chatterton, you will appreciate that I cannot say what the governor in council may do. Our policy in this connection is as follows: If the director feels that the compensation on this particular case is "X" number of dollars, regardless of what the expropriating body may be offering, the expropriating body must deposit this money with the director. If, after it goes to expropriation the settlement is less, then the difference would be refunded. If it is more, then, of course, the expropriating body would pay more. Does this answer your question?

Mr. HERRIDGE: I have another question. I am particularly interested in this, as you know. Were any veterans holding properties under V.L.A. expropriated by the National Capital Commission?

Mr. PAWLEY: Yes.

Mr. HERRIDGE: Would you agree then—I have a list of all the properties—that the relationship between the assessed values and purchase prices in these instances by the National Capital Commission was correct and lays a sound foundation in your approach to the Columbia river question?

The CHAIRMAN: These are impossible questions.

Mr. HERRIDGE: I am putting a direct question. Has the department agreed to these purchases? What is the relationship between the assessed value of

those properties for taxation purposes and the amounts paid? All I am asking is, Mr. Pawley, for you to agree that the department was correct in agreeing to them.

Mr. PAWLEY: I am not precisely familiar, except in one case, with the expropriations taken by the National Capital Commission, and for this reason I do not want to make statements which I cannot back up.

Mr. HERRIDGE: Mr. Pawley, you would not disagree with any settlements that have been previously made by the Veterans' Land Act administration and the National Capital Commission? You say they were just?

Mr. PAWLEY: Yes.

Mr. LANIEL: My question would be directly related to the application of the law. Under part III a loan has to be repaid fully, whatever the case may be, but under part I there is provision by which besides the down payment of 10 per cent the veteran has to reimburse two thirds of the grant, but the 23 $\frac{1}{2}$  per cent I think is to be considered if he fulfils the terms of his contract for 10 years. Is this to be considered as a grant? What would happen in these cases? If he is expropriated under the Columbia river treaty, let us say he has a year to go, would he lose the benefit of the 23 $\frac{1}{2}$  per cent?

Mr. PAWLEY: No, he would not in these circumstances. However, he would be entitled to a continued establishment under the act.

Mr. LANIEL: He would have to establish himself.

Mr. PAWLEY: Yes, he would be entitled to this. If he has been for at least eight years under an agreement for sale with the director and there are two years remaining before he earns his conditional grant, and he is expropriated, then I am quite sure that we can in these circumstances permit him to earn his conditional grant.

Mr. LANIEL: But he would be forced to re-establish himself on a farm?

Mr. PAWLEY: Not necessarily.

Mr. LANIEL: But in the other cases if he does re-establish himself on a farm, what would be your attitude?

Mr. PAWLEY: If he re-established himself in another property, whether it be a farm or a small holding, he just continues on with his agreement and earns his conditional grant, anyway.

Mr. LANIEL: If he does not, could he get a proportion of it?

Mr. PAWLEY: No, he would have to be there at least eight years and he would not be able to get it until the completion of the ten years.

Mr. LANIEL: I would ask this question of Mr. Herridge as he has a list of the people there. Maybe he can tell us what the case is.

Mr. HERRIDGE: What is your question?

Mr. LANIEL: Under part I of the law there is a provision that the veteran does not have to reimburse the 23 $\frac{1}{2}$  per cent of his loan if he fulfils the term of his contract for ten years. If he is expropriated towards the end of his term of ten years he may lose the benefit, which is considered a conditional grant, of 23 $\frac{1}{2}$  per cent. I think this is very important.

Mr. HERRIDGE: I do not know.

Mr. LANIEL: It should be checked.

Mr. PAWLEY: I would like to explain in this connection, that I think you are referring to loss of a conditional grant in expropriation cases or in cases such as the Columbia river development where properties have been taken. If the veteran does not want a continued establishment, and in the over-all negotiations any loss of conditional grant is taken into consideration, we are going to be very careful that the veteran at least gets the equivalent amount of any loss that he might have sustained.

Mr. LANIEL: Yes, but the problem is that if he makes an over-all profit of \$10,000 from the sale in compensation—I am just giving you a figure—you might have a tendency at that time to say that actually he is not losing anything because he has made a profit, and to say, "Why worry about part of the 23½ per cent?"

Mr. PAWLEY: That is a judgment we would have to make and we would have to be prepared to support our decision.

Mr. HERRIDGE: Let me interject here to say that none of these veterans wants to make a profit. All they want is a satisfactory relocation or a satisfactory replacement value.

Mr. CHATTERTON: If that veteran does not get that grant, he gets a compensating adjustment by getting his re-establishment credit. Is that right?

Mr. PAWLEY: Yes.

Mr. OTTO: Mr. Chairman, I am surprised to hear that there are only 50 veterans, considering the rumour that Mr. Herridge owns most of British Columbia anyway, but of the 50, and according to past experience, how many are going to settle without the interference of the department? Could you give us a rough figure? Could you say that a third would settle? From your past evidence I would say that we are going to be talking about no more than 10 or 12 veterans.

Mr. HERRIDGE: We must protect even one veteran from injustice.

Mr. OTTO: Nothing is going to happen for three or four years because the cases on record now are being settled. Will we not have another opportunity to find out how the department is doing after it has had some experience in this, other than registering Mr. Herridge's aversion to all forms of expropriation of any kind or nature whatsoever?

Mr. PAWLEY: I would hazard a guess that over the past three years across Canada we have probably had nearly 1,000 cases of this nature. We have had three cases go to the governor in council requesting authority to expropriate.

Mr. HERRIDGE: But you will do your best to see that these veterans get equal treatment to that given by the National Capital Commission and the seaway authority where they were paid the potential value of the property because of losing the water front, and so on?

Mr. PAWLEY: You may be assured we will do our best.

The CHAIRMAN: Are there any further questions on items 44, 45 and L55?

Items agreed to.

Mr. CHATTERTON: The question I want to raise has to do with general administration with regard to British Columbia. I realize that Mr. McCracken was your administrative assistant. What I will say is no reflection on Mr. McCracken who, I think, is a very competent person, but is it fair to British Columbia not to have a permanent district superintendent and is it fair to the staff there?

Mr. PAWLEY: I can appreciate that to postpone a promotion for some person who feels he is worthy of the promotion is a disappointment. Against that I think one has to weigh the advantages of making sure that the people at the head office are fully aware of the circumstances that exist at the district and field levels. It seemed to me consequently that the advantages accruing to the department after a two year period or up to a two year period would be quite considerable because Mr. McCracken had not previously had this field experience. Within the last two weeks I have met all those people in British Columbia who I think were interested in this particular position. While they may be somewhat happy about making their feelings known to me I can assure

you, Mr. Chatterton, that there is 100 per cent co-operation. Mr. McCracken is getting a great deal out of this experience, and I think the senior staff in British Columbia are also getting a great deal of help and guidance from Mr. McCracken. As you know, he is a pretty precise sort of fellow, and I think there are mutual advantages to the arrangement. I can assure you, and I have already assured the staff, that a year from next June Mr. McCracken will be back in head office, if not sooner.

Mr. CHATTERTON: May I make a comment: the staff did not tell you what they told me, and not only the staff that was interested in the position but other staff. I spent several hours in the district office in Vancouver a couple of weeks ago and I would say—and this is no reflection on Mr. McCracken's competence—that it is a pity that British Columbia is being subjected to this experiment, since they are entitled to a permanent superintendent.

Mr. PAWLEY: I am afraid that in this regard, in spite of the fact that I have every good feeling for the staff under me—I am very proud of them—I do not feel that I can be deterred in making a decision in this connection if I think that ultimately it is going to be for the benefit of the entire department. In spite of the fact that I think there is a good staff in British Columbia, I do feel this was the right move to make at that particular time.

The CHAIRMAN: Can we revert to item 1, gentlemen.

1 Departmental administration \$6,491,400.

I will now call on the deputy minister, Mr. Mace. That will complete the estimates.

Mr. GROOS: I have a question on item 1. I wondered whether we could be told a little more about the investigation that is about to be carried out by the Department of Veterans Affairs, or under the auspices of the department, concerning the Hong Kong veterans and their present situation.

Mr. PAUL PELLETIER (*Deputy Minister, Department of Veterans Affairs*): On the Hong Kong veterans, as I think has been mentioned before, this whole question of the special position that the Hong Kong veteran might or might not find himself in has been and is still the subject of an investigation which is not yet completed. There are a lot of intangibles involved here and I do not think I can say anything about the Hong Kong veteran until that particular study has been completed. This may be a matter of weeks, it may be a matter of months, and it may be somewhat more than that because unless and until we can arrive at some conclusions on which we can base some pretty specific measures, I think it would be imprudent to move.

Mr. GROOS: The thing that I am most interested in finding out, Mr. Chairman, is the basis of this investigation. It seems to me that what we are suffering from now is a difference of opinion between the Department of Veterans Affairs and the Hong Kong veterans themselves on how they have been affected by their imprisonment. The department on the one hand says that the after effects of their imprisonment, such as they are, are being adequately taken care of by the present arrangement, whereas the Hong Kong veterans appear to feel otherwise. It is really a matter of establishing who is right, and I question whether the the survey done by the department will satisfy either the Hong Kong veterans themselves or perhaps the House of Commons since what seems to be needed is an investigation by an independent body. I am not competent to say who is right. I doubt whether anyone in this room is competent to say who is right, one side or the other. What we really want to have proven is one case or the other and in order to do this it seems to me that an investigation should be carried out by a body which is really independent. I am very much looking forward to receiving the report of this investigation that is being carried out now, but I doubt very much whether

that will be sufficiently conclusive simply because it is a body that has been set up by one of the affected and interested parties. Did I make my point clear?

Mr. PELLETIER: Mr. Chairman, one of the big problems, and I am sure you appreciate this, when we have to face this matter of the Hong Kong veterans, is the fact that there are only something in excess of 1,000 individuals involved. As you well know, the smaller the number of people involved, the more difficult it is to make a study the results of which will be conclusive.

With regard to your point concerning an investigation to be conducted by an outside body, I am sure no one would have any objection to that except for this—and this is not really an objection, it is an observation. We consider ourselves, and always have, not as working against the veteran but working for the veteran, and we feel that if, in the course of our study, there is to be any bias at all, that bias is much more likely to be in favour of the veteran, in this case of the Hong Kong veteran.

Mr. GROOS: Mr. Chairman, I agree with what Mr. Pelletier has just said, and I think, in my experience with the Department of Veterans Affairs in this committee, it has been shown to me that his statement that the department is working for the veterans was borne out in every instance except this particular one where the Hong Kong veterans themselves are not fully convinced that all parts of the department are working for them. It is this that I would like to clear up. I do not know who is right in this case, and I think it is important that the matter be cleared up. You say there are only 1,200 of them. I realize that this makes it a rather difficult problem of statistical analysis, but there is an advantage in having only 1,200 Hong Kong veterans, and that is that it is fairly easy to get hold of them. You can assess what has happened to almost every member of the Hong Kong veterans group because 90 per cent of them are getting some sort of a disability pension, and therefore we know exactly where they are. Therefore, to do a complete survey of the whole group would be a comparatively simple matter, and you would not have to guess what happened to the group. We can show exactly what happened to them.

Mr. PELLETIER: You are quite right in saying that they are easy to locate. We know when they die, what they die from, and from that point of view it is quite easy. But it still does not make it any easier to draw conclusions on their disabilities or indeed to what their deaths may be attributable. With regard to treating the Hong Kong veterans as a special group, we have already done that up to a point, as you well know, because all are presumed to suffer from avitaminosis. This is probably quite right, even though you cannot determine, in a scientific way, whether they do or do not suffer from avitaminosis. Whenever any of them require treatment, they automatically get it, as you also well know.

I do not think, Mr. Chairman, as I said a moment ago, that there can be any objection to an outside survey being made of this matter; but it seems to me that it would be wiser to wait and see what the study, which is now going on, will produce. If at that time it is felt that some other study should be made, another study can be made.

Mr. GROOS: I was in England this summer and I took advantage of the fact that I was over there to visit the tropical diseases ward of the Queen Mary hospital in Roehampton. I was talking with some of the staff there and comparing the problems that they have with their Far East veterans and our own. One of the points of difference that I noticed there—I would like to hear your comment on this—was that they insist on having a post mortem done on every Far East ex-prisoner of war, regardless of where he is, whether he dies under the care of their department, and so on. They are informed

when he dies by the central office, and this post mortem is carried out to see whether he was affected by some of the diseases which relate back to the time when he was in the Far East.

Mr. LANIEL: Even when he dies of an accident?

Mr. GROOS: In every case. My understanding is that over here no post mortem is carried out unless the veteran's next of kin ask for it. Is that correct?

Mr. PELLETIER: I cannot answer that. By post mortem you mean autopsy?

Mr. GROOS: Yes.

Mr. PELLETIER: I do not have the answer to that question.

Mr. F. T. MACE (*Assistant Deputy Minister, Department of Veterans Affairs*): This is a question of law. Dr. Harley can answer it for you.

Mr. HARLEY: This is true; you cannot legally do it in Canada unless you have the permission of the next of kin.

Mr. GROOS: I wonder whether it would not be an advantage for the next of kin to be advised by either the department or perhaps one of the veterans organizations, that, particularly in the case of the Hong Kong group, it would be an advantage if they were to give this decision automatically so that the autopsy could be carried out? I would like to know whether these autopsies which have been carried out so far, at least in some cases, are brought to some sort of central office for analysis?

Mr. MACE: Whenever an autopsy is carried out the report comes to head office and goes on the veteran's head office file, but it is automatically referred, if the man is a pensioner, to the pension commission in order that they can rule on whether or not his death is attributable to service. This is the routine that is followed.

Mr. GROOS: Is there someone who carries out this analysis? Is there a doctor who is well versed and has practised in diseases peculiar to the tropics?

Mr. MACE: Unfortunately, this comes under the chairman of the pension commission. I am trying to recall whether he has a specialist in tropical diseases. He has quite a party of medical specialists, and quite frankly I cannot say whether he has a specialist in tropical diseases or not. If he has not, we do have one in the department in the treatment services under Dr. Crawford. He would be available to them for consultation if they so wished.

Mr. GROOS: I think that in the case of a man in this group it would be an advantage if the autopsy report were submitted to such a person. In the United Kingdom where they have over 30,000 of these men they do arrange, as I said, for an autopsy to be carried out in every case and for the reports to be submitted to a central office where they are studied by someone who knows what he is looking for, in this case it would be something which might have resulted from the internship under the peculiar conditions of the Orient.

Mr. MACE: I think, sir, it might be desirable if I spoke to Mr. Anderson on this point and have him give you a call, just to make sure that you know what he does now.

Mr. GROOS: I would appreciate that.

Mr. OTTO: I have a question on the same point. I wonder whether the deputy minister could give us a idea of how this investigation is carried out. Are there any headings or any divisions which you can explain to this committee, so that we have an idea of how this investigation or this research is being done?

Mr. PELLETIER: I do not know the details, but in general terms the study attempts to determine by comparison with veterans who are subjected to different conditions, and also by looking into the family medical history of the individual concerned, and for example to try and determine what happened

to a brother of a Hong Kong veteran who was perhaps in the armed forces but served in Europe and was interned in a German prisoner of war camp. On the details, I am afraid I cannot give them. This is a scientific investigation, and I do not know the various subheadings.

Mr. GROOS: I might say at this point that the doctor who was carrying out this survey appeared before the executive of the Hong Kong Veterans' Association in Winnipeg a month or so ago and he gave a very clear description of what it is he was doing. They were very pleased with the way the investigation was going forward even though he was questioned at that time whether this would be sufficient. Certainly it is a very good step. I believe his name was Dr. Richardson.

Mr. HERRIDGE: Mr. Pelletier, would it be considered advisable for the department to look into the suggestion made by Mr. Groos on the practices being followed in Great Britain?

Mr. PELLETIER: You mean the practices with regard to autopsies? We most certainly shall look into this.

Mr. HARLEY: I wanted to make a comment on autopsies. I know several cases have come to my attention where a pension was not given because the cause of death was not supposedly related to a pensionable disability. In this case an autopsy might have proven that this decision was right, and it might also have proven that the department was wrong. So often, it seemed to me in these cases where the pensioner is not going to get a pension, the family are not going to lose anything by having an autopsy, and it may be proven in the autopsy that his death was owing to a disability incurred during service. I wondered whether there is some way of making this point more apparent to the veteran and his family, that an autopsy or a post mortem is actually something that may well benefit him rather than be a disadvantage to him.

Mr. PELLETIER: As Mr. Groos pointed out, we know where all these veterans are, and I think it would be a relatively simple matter to get in touch with the veterans themselves, and indeed their families, and try to impress this fact upon them.

Mr. HARLEY: I am not only referring to the Hong Kong veterans but to any veteran.

Mr. MACE: May I mention one thing, Dr. Harley? You must keep in mind that some veterans die while they are in department hospitals. When this happens, of course, we are very close to the next of kin. Our welfare or administration people are in close touch with them, and I am sure this point is made to them. On the other hand, people do frequently die outside our hospitals and we do not know about it until too late; we might not know until they are dead and buried.

Mr. HARLEY: Even in the department hospitals the autopsy rate is not anything approaching 100 per cent; it is less than 50 per cent.

Mr. CHATTERTON: I would like to give an example without mentioning any names. A pensioner was sent to a veterans' hospital by one of the veterans' hospital doctors. He died on the way. He was taken to another hospital, and there was no autopsy. It is that type of case in which there should be an autopsy, and the department is certainly aware of the death. Very often there is no autopsy even though the patient dies in the veterans' hospital. In this particular case, if the veteran had had an autopsy it may have been proved or disproved that the death was related to the service; but as it is, the widow is not satisfied.

Mr. MACE: I will bring it to the attention of the appropriate officials to try to ensure that the value of autopsy is recognized and I will ask them to have this brought to the attention of the next of kin wherever this is practical.

Mr. ROCK: May I ask a supplementary on that?

The CHAIRMAN: Mr. Rock.

Mr. ROCK: Even if it is proven by autopsy that the veteran died from past service, what then? Suppose he did not receive a pension because he could not prove his case during his lifetime, and suppose then it is proven by autopsy that he died as a result of service, would the family be reimbursed? Where are we going on this?

Mr. PELLETIER: Mr. Chairman, I think this is probably a rather hypothetical example. I think this would not be the situation in 99 per cent of the cases. However, assuming this were true in one out of 100 cases, it would be a matter for the Pension Commission. If the chairman of the commission were here he could answer this immediately, but I suspect it would be too late to undo what had been done or to do what had not been done. I assume in this case—and it is an assumption on my part—that the widow would have whatever entitlement a pensioned widow would have. This is an assumption and subject to confirmation by the pension commission.

Mr. GROOS: Mr. Chairman, may I bring up another question under this item? In the special committee on defence which met last year various people were asked to present briefs. It was decided that the costs of the persons concerned should be met by the committee—costs such as transportation and per diem. This was the case when the invitation to present a brief came from the committee. This committee throws open the doors for briefs to be presented every year or every two years, and such people as the Royal Canadian Legion and other organizations come down.

I have a special interest at this time in the Hong Kong veterans' group, a very small group which has no source of funds. I think they have a message to which we should listen, and I know it is quite a burden on this small organization to send representatives down here, particularly as they come from eastern Canada and from the west coast as well as from Quebec. I wonder how this committee could arrange to pay certain expenses for minor groups of veterans from whom we think we should hear.

Mr. MACE: Sir, I think you hit the nail on the head when you said that the defence committee requested certain people to come and present their thoughts. We do not do this, as you know. If any organization wishes to present a brief and applies to the chairman, then it is able to do so. It appears to me, Mr. Groos, that this is a matter for the committee, not for the department. I am not too sure how this would be dealt with on a point of law and where the funds would come from, but I think it would be in the terms of reference of the committee.

Mr. GROOS: Yes, I was speaking to the Chairman on this.

Mr. MACE: I might say, sir, that we in the department have authority under the Veterans Affairs Act to bring anyone in for consultation, and if in the course of our normal operations we want to bring in a group we can pay their expenses. The question of the presentation of briefs by associations has always been a prerogative of this committee, historically.

Mr. GROOS: Then those expenses would not be listed under any of the votes we are discussing today?

The CHAIRMAN: I am sorry, Mr. Groos, I did not realize you were speaking to me. I did not hear the question.

Mr. PILON: Perhaps the answer is that they are paid by the Chairman!

Mr. HERRIDGE: The Hong Kong Veterans Association has been very interested in getting a complete report of the Hong Kong veterans's fund

showing what disbursements have been made to compensate persons who suffered. When will it be possible for a complete report to be made available to them?

Mr. PELLETIER: A report on the fund?

Mr. BLACK: That information is obtainable from the Department of Finance. You could direct your request to that department or we could ask them to send it to you.

Mr. HERRIDGE: Would the Veterans' Affairs department ask the Department of Finance to provide that information to the members of the house?

Mr. PELLETIER: Do you want it to be provided, Mr. Herridge? If so, I am sure we can obtain it and send it to your Chairman.

Mr. BLACK: That can be done or it could be presented as a question on the order paper.

The CHAIRMAN: Mr. Herridge could have answered the question which was put to me by Mr. Groos because he is the chaperone of four or five beautiful women who come along here every year and whose expenses he finally succeeded in getting the government to pay.

Mr. HERRIDGE: Incidentals, Mr. Chairman!

I have one more question to put to the deputy minister. Would the deputy minister agree that it is correct to say that the Department of Veterans Affairs, as a result of its experience in the administration of disability pensions, war veterans' allowance, hospital services and welfare services for veterans, has established a pattern which has been of great assistance in the promotion of other similar schemes of hospitalization and welfare to the advantage of the general public?

Mr. PELLETIER: I am afraid, Mr. Herridge, that this is a question the answer to which would lead me away out of my field and, as a consequence, I would not like to reply to it in the terms in which it was put. I will say, however, that everybody in the department is satisfied that the measures which have been adopted over the years have been of great benefit to veterans. I am afraid I am not in a position to draw any parallel between welfare measures designed for veterans and those other welfare measures which may have been designed for the general public by the federal government, or by provincial and municipal governments.

Mr. HERRIDGE: I think everyone recognizes the fact that these experiences have been valuable to governments of all kinds in developing other programs.

Would the deputy minister say that if the same approach were made by other administrations to veterans on the Columbia river as were made to veterans generally by the department—if those were carried to their logical conclusion—this would be a matter of great assistance to the general public?

Mr. PELLETIER: I will answer that question indirectly by paraphrasing what the director of Veterans' Land Act, Mr. Pawley, has already said. We will do everything we can to make sure that the veterans whose properties are being expropriated in the Columbia river basin will get completely fair treatment. If that is done, of course, it is an ipso facto conclusion that any pattern that may thus be set will indeed be a good one.

Mr. HERRIDGE: I am glad to hear you say that, sir.

Item 1 agreed to.

The CHAIRMAN: Gentlemen, may I submit for your approval the proposed report to the house?

The standing committee on veterans affairs has the honour to present the following as its second report:

Pursuant to its order of reference of Tuesday, September 22, 1964, your committee has examined the main estimates and the supplementary

estimates (A) for 1964-65 relating to the Department of Veterans Affairs, and has agreed to recommend them for adoption by the house.

A copy of the relevant minutes of proceedings and evidence (Nos. 1 and 2) is appended.

Respectfully submitted

Does that meet with your approval, gentlemen?

Agreed.

Mr. HERRIDGE: I would like to move that this committee express its appreciation of the clear, concise and informative way in which the deputy minister and other officials have answered questions during this hearing.

The CHAIRMAN: And I would like to say how pleased I am at the way in which the proceedings have been carried on and that the representation we have had at this committee this year has been very good indeed.

The committee is adjourned to the call of the Chair.



















