The basic principle recognized by Parliament and to which the Pension Act gives effect is that a war pension is money owed by the State to a sailor, soldier, airman and his dependants, because of his disablement or death, and that the object of the pension should be to ensure for the pensioner and his dependants that degree of maintenance which he is unable to provide.

As already stated, the original Act of 1919 vested in a Board of Commissioners full power and authority to deal with all matters relating to pension. Applications were considered and decisions made upon whatever evidence was presented. There was no appeal.

In 1923 a Federal Appeal Board was constituted, the authority of which was restricted to deciding the question of relationship to service of injury or disease causing disability or death. Moreover such decisions were restricted to the evidence and record upon which the decision of the Pension Board was based.

In the course of time, returned soldier organizations pressed for the opportunity for applicants to appear personally and produce evidence before the body charged with adjudication of their claims.

In 1930 this demand was met. By the legislation of that year, it was provided that where an applicant was unsuccessful before the primary adjudicating body known as the Pensions Commission, he might have a hearing by a judicial organization called the Pension Tribunal—an ambulatory body adapted to hearing cases at convenient points throughout Canada and to viva voce evidence. It was further provided that from decisions of this Tribunal an appeal should lie on the part of the applicant or the Crown to a Pension Appeal Court.

In 1923 the Tribunal was abolished, but the principle of personal appearances and public hearings was maintained.

Under amendments to the Pension Act passed in 1933, a Pensions Commission was retained as previously for the purpose of primary adjudication upon pension claims and the general administration of the Act. The powers of this Commission were restored substantially to those of the 1919 Board. Power and authority with respect to the granting, suspension and cancellation, etc., of pensions was conferred.

All applications for pension were to be made to the Commission. If pension was not granted, the applicant could furnish additional evidence or renew his claim before a quorum of the Commission. The Appeal Court was continued and was vested with jurisdiction on appeal with regard to applications respecting entitlement. The right of appeal was given to the applicant in respect of refusal of applications by the Commission or a quorum and to the Crown in respect of grants by the quorum.

The authority of the Commission in regard to cancellation was restricted in respect of awards made by the Federal Appeal Board, the Tribunal and the Appeal Court, and it was provided also that before any pension was cancelled or reduced by the Commission, due to a change in the basis of entitlement, the pensioner should be afforded an opportunity of appearing before a quorum of the Commission.

In 1936 the principle of second hearings was introduced with a view to securing more adequate and complete preparation of claims. The procedure as then established, with certain modifications, such as hearings by appeal boards of the Commission instead of by quorums and the vesting of such boards with jurisdiction on appeal, has remained in force.