

This Committee completed its deliberations in July, 1946, and comprehensive legislation based on its recommendations was incorporated in amendments to the Pension Act, enacted by 10 Geo. VI, c. 62, assented to Aug. 31, 1946.

The most important legislative change resulting from the Committee's recommendations was the restoration of the so-called "Insurance Principle" for members of the Forces who, in the Second World War, did not serve in a theatre of actual war. The operation of this principle which applies to the First World War and, in effect, provides pension coverage for disabilities incurred during service, whether due to service or not, was modified in 1940 so as to apply only to cases in which the member of the Forces had served outside Canada. Following the restoration of the insurance principle, a review of all cases affected by this change was duly carried out by the Canadian Pension Commission, action being taken to institute awards where indicated. Other changes provided for the extension of the benefits of the Canadian Pension Act to persons domiciled in Canada at the commencement of the Second World War, who served in the British Commonwealth of Nations, or Forces of the Allied Nations, and broadened the scope of the statute in its application to Canadians who served in Forces, other than those of Canada, in the First World War.

The Canadian Pension Commission is also responsible for the administration of a statute known as the Civilian War Pensions and Allowance Act, under which pension consideration may be given to claims of merchant seamen, salt-water fishermen, Auxiliary Services personnel, civil defence workers, Corps of (Civilian) Canadian Fire Fighters, Federal Government employees, special constable guards (R.C.M.P.), and certain other civilian groups who rendered essential war services but whose personnel were not actually members of the Forces.

**3.—Pensions in Force as at Mar. 31, 1941-47**

NOTE.—Figures for the years 1918-40 are given at p. 871 of the 1945 Year Book.

Year Ended Mar. 31—	To Dependents		For Disability		Totals	
	Pensions	Liability	Pensions	Liability	Pensions	Liability
	No.	\$	No.	\$	No.	\$
<b>First World War—</b>						
1941.....	17,941	10,539,876	79,204	29,058,304	97,145	39,598,180
1942.....	17,730	10,484,192	77,971	28,194,967	95,701	38,679,159
1943.....	17,549	10,457,012	76,625	27,354,865	94,174	37,811,877
1944.....	17,242	10,389,778	75,244	26,595,094	92,486	36,984,872
1945.....	17,221	10,597,308	73,863	26,543,361	91,084	37,140,669
1946.....	16,982	10,606,770	72,396	26,523,887	89,378	37,130,657
1947.....	16,799	10,647,524	70,803	25,957,054	87,602	36,604,578
<b>Second World War—</b>						
1941.....	319	262,592	319	76,682	638	339,274
1942.....	929	695,465	1,291	409,556	2,220	1,105,021
1943.....	2,748	1,949,128	3,917	1,362,110	6,665	3,311,238
1944.....	5,332	3,794,258	7,231	2,693,855	12,563	6,488,113
1945.....	11,419	8,333,406	15,506	5,382,842	26,925	13,716,248
1946.....	16,839	11,982,717	36,454	11,402,255	53,293	23,384,972
1947.....	17,600	12,027,726	70,633	20,676,689	88,233	32,704,415

**Payment of Pecuniary Grants for Gallantry Awards.**—Certain gallantry awards, such as the Victoria Cross, Military Cross, Distinguished Flying Cross, Distinguished Conduct Medal, Conspicuous Gallantry Medal and Distinguished Flying Medal, carry with them pecuniary grants, which were formerly paid by the United Kingdom Government. To these were added during the Second World War, the Distinguished Service Medal and the Military Medal which formerly were not accompanied by pecuniary benefits. By Order in Council P.C. 4736, dated June 17,