sensory aid devices to veterans and other persons eligible for treatment under the Veterans Treatment Regulations. Those appliances are issued only upon departmental medical prescription and are supplied and serviced without charge to eligible patients. The Department also extends prosthetic service upon request, on a repayment basis, to other Federal Government departments, to allied governments, to provincial governments under certain conditions, and to workmen's compensation boards.

The physical establishment consists of a main factory at Toronto and 12 district manufacturing and fitting centres located in Departmental hospitals throughout Canada. District prosthetic technicians extend the service to five sub-districts through regular weekly or monthly visits. The Toronto factory manufactures certain prostheses, appliances and component parts, conducts bulk purchasing of raw materials for distribution to other centres, provides advanced instructional courses for district staff, maintains a research section staffed by engineers and technicians, and accepts, when necessary, referrals of cases for whom routine fitting procedures are considered inadequate.

During 1961 the Research Section conducted field tests on two new prostheses which emanated from the United States National Research Council research and development program, both of which resulted in favourable patient acceptance—the patellar tendon prosthesis for below-knee amputations and the hydraulically controlled prosthesis for above-knee amputations; the former is manufactured by the Department and the latter is commercially available. These prostheses were added to the departmental line for regular supply. Research continued on plastic coatings, colouring of laminated plastic, walking and transfer jigs for manufacturing and fitting purposes, improved processing of cosmetic gloves, functional hand splints, a new cervical brace, an arm abduction brace, an all-laminated plastic above-knee prosthesis, and other items.

During the year, approximately 165,000 basic appliances, accessories and repairs were issued to 86,000 patients.

Section 2.—Welfare Services

The Welfare Services Branch not only has specific responsibilities with respect to the administration of statutory benefits designed to assist veterans and their dependants, but may be asked for advice and help in any kind of problem that does not come under the jurisdiction of another Branch of the Department. Since the type of assistance that can be rendered directly is limited by statute, Branch personnel are required to maintain close liaison with and have a detailed knowledge of sources of assistance in the community such as welfare departments at all levels of government, private philanthropic agencies, veterans' organizations, etc. These contacts enable the Branch not only to make prompt and accurate referrals when required but to act as a channel through which the Department becomes aware of situations in which it can assist.

The workload of the Branch remains at a high level, although the time limit for some benefits designed to assist with immediate postwar rehabilitation of veterans has almost expired. Among these are the payment of war service gratuities authorized by the War Service Grants Act, which provides cash payments for each veteran of World War II, the amount varying with his length of service and the area in which it was performed. This benefit was discontinued on Dec. 31, 1954, except for veterans with overseas service who may be paid if the Minister is satisfied that there is good reason for delay in making application. A veteran who served outside Canada and the United States with the Korean Special Force has 15 years after discharge from that Force in which to apply for gratuities. During 1961, 24 awards of gratuity were authorized for a total value of \$12,154.

The Awaiting Returns Allowance is another form of benefit that has almost expired. This is now available only to veterans who have been established in full-time farming under the Veterans' Land Act. Application must be made within 12 months of settlement and allowances are payable for a maximum of 52 weeks within two years of the time of the initial award. During 1961, total payments of this benefit amounted to \$15,873 and there were 17 active accounts at the end of the year.