

of a pension, it was thought to be contrary to the object of the Act, and, as well, unfair to the State, to allow the beneficiaries to receive, as it were, a double benefit. It will be remembered that where such a reduction is made, the premiums paid are returned to the beneficiaries with accumulated interest at four per cent. It may be asked: Why, under such circumstances, should a totally disabled man bother about insurance when he knows that upon his death from the effect of service his dependents will be pensioned? The answer is that if he should die from some cause other than service, his dependents will not be pensioned, but if he be insured they will receive the benefit of his forethought and prudence. In a sense, therefore, to a man in this class a policy under the Act is a more extended type of accident insurance.

This point was again considered by your committee, and although no mention is made of it in the report, the decision was against any change.

Before leaving this particular matter reference should be made to the doubt expressed as to the method of calculating the present value of pensions when deducted from a policy. It is clear that this calculation is upon a strictly actuarial basis. The governing factors are the amount of the pension and the term during which it will be paid, involving, as the latter does, the age of the pensioner.

One or two amendments to the Insurance Act are as well suggested, and a Bill to cover the same is attached to the report. When the Bill comes before the House in committee, explanations on these points will be forthcoming.

May I say here that owing to an oversight of mine this report, which was tabled two days ago, was not put in the hands of the Prime Minister early enough to enable him to read it until this morning, and he was not until then aware that this committee had recommended amendments to three Acts, the Insurance Act, the Pensions Act, and the Civil Service Act. Yesterday, I understand a statement was made, in reply to a question, that the Government had no further legislation in view. We certainly trust that the House will put the amendments approved by the committee into force this session; otherwise, our recommendations on many points would fall to the ground.

In addition to these amendments the committee recommends that regulations be framed to provide that as soon as an ap-

plication has been approved by the proper officers, and the premium paid, such approval shall be held to have the same legal effect as if the policy had been delivered to the assured. Under the existing law an insurance contract is not, as a rule, enforceable unless and until the policy has been delivered to the insured. The proposal of the committee is a modification of that law in favour of the soldier. Cases have arisen where a disabled man has done all he should by putting in his application and paying his premium. Before, however, his policy could issue, he has died, and in consequence his beneficiaries derive no benefit. If this plan were one of ordinary insurance, or even of the latest type which does not require medical examination, it would be unwise to make any change of the kind proposed, but coming back once more to the fundamental object of the whole scheme, it is felt that where the soldier in good faith has taken the necessary steps, it would be unfair to penalize his dependents if death supervene before the actual delivery of the policy.

Another suggested change in the regulations will permit a pensioner to assign a portion of his pension to meet the premium due on his policy. This is open to the objection that pensions are at times altered, or suspended as in the event of medical treatment under the Department of Soldiers' Civil Re-establishment. Under such conditions, the insured's pension having ceased or being diminished, his premiums may remain unpaid and his policy may lapse. The committee, however, thought that the preponderance of convenience to the average pensioner would be such as to warrant an attempt along the lines indicated.

Under the Act, the maximum policy which can be written is for \$5,000, and applications cannot be considered after September 1, 1922. Representations were made that the limits in both of these restrictions should be enlarged, but the opinion of the committee was against such extensions.

Pensions.—As before mentioned, the pension bill has reached a total of \$91,000,000, and it is estimated that for the current year, including administration, not less than \$33,000,000 will be required. The number of pensions in force exceeds 70,000, while if we include the wives of disability pensioners, their children, the children of widows, and orphan children, we find there are over 150,000 individuals benefiting from this source.