

Mr. BURNS: Companies are apparently putting them in effect at the present time.

The CHAIRMAN: Ten companies say "yes".

Mr. JUTRAS: I would like to ask just exactly what is meant by "restrict the benefits"? What do you actually propose to do under the war clause?

Mr. BURNS: That has not been precisely determined, Mr. Chairman. You have just heard Mr. Black explain the general restriction and benefits which are proposed by the war clauses which the commercial companies are putting into effect and I presume it would be something similar. Would you wish that point to be gone over again by Mr. Black?

Mr. JUTRAS: No, I just wonder what the department intends to do knowing what the commercial companies are going to do? Is it the intention of the department to follow more or less the same line as far as war clauses are concerned?

The CHAIRMAN: It is left to the discretion of the Governor in Council in this amendment.

Mr. PEARKES: I would point out that subsection 2 is very clear on that point I was discussing. "For the purposes of subsection one, 'service' means any service . . . as a member of any naval, army, or air forces . . ." and I do not think with that wording you can possibly say this would not apply to the members of the reserve force; and members of the reserve force might very easily and they do, periodically, meet their death through service with those forces. I suppose that hardly a year goes by but what some members of the reserve force get killed on training.

Mr. BURNS: I would say that it is permissive—"a contract of insurance may, in such manner and terms to such extent as the Governor in Council may prescribe . . ."

Mr. HERRIDGE: I think Mr. Pearkes' point is well taken. The regulations are governed by the Act. "For the purpose of subsection one, 'service' means any service of the insured, after entering into the contract of insurance, as a member of any naval, army or air forces." I think Mr. Pearkes is absolutely correct.

Mr. BURNS: It is pointed out in the general definitions of the Act that service in the reserve force is excluded.

The CHAIRMAN: In the Act itself, service means:

- "(i) service in the naval, military or air forces of Canada by any person while in receipt of either active service rates of pay or of Permanent Force rates of pay;"
- (ii) —active service in the naval, military, or air forces of His Majesty by any person domiciled in Canada at the commencement thereof.

Mr. BURNS: There was another point, Mr. Chairman, in which there is an additional safeguard on this question. There would be a reference in any war clause to home service being an exception.

Mr. BLACK: The companies, as I explained, have a restrictive limitation. This policy is paid in full normally only if death occurs outside home areas which would exempt any policies issued to persons training in Canada.

Mr. BROOKS: I do not see why we should follow the companies, particularly. The reason why we have veterans insurance is that we wanted to get away from the companies and to make it easier for the veteran to get insurance. Also I do not think you can take the interpretation of 'service' there in this section and say it means the interpretation of service in the Act—because one states one thing and one another. You have got to say that under subsection (1) 'service' means or may be interpreted the same as 'service' in the Act.

Mr. BLACK: You have got to make it appear here as it is set out in the other Act.