

advantages are not minimized by insurance agents throughout the country, and as is only natural, the healthy soldier turns elsewhere when he can secure his insurance on precisely the same terms as does the civilian. Apart from these very obvious reasons, the information before the committee showed that notwithstanding a persistent and widespread effort to lay before the ex-service man the benefits of the Act, there yet exists a vast amount of ignorance and a good deal of misapprehension on the subject. If the Dominion of Canada were entering upon this plan with the same aim as dominates most life companies, viz.: to underwrite as large an amount of insurance as could safely be assumed, one would have no hesitation in adopting the plan of these companies, and employing agents on commission through the length and breadth of the land to advocate this particular form of insurance. But this aim is far removed from the idea which animated Parliament in placing the Act in question on the statute book. It was at that time carefully explained that the underlying object of the plan was to permit the man whose health was impaired by service to obtain some measure of protection for his dependents at a minimum of cost and without regard for what might be his expectation of life. It will be remembered that the man himself can gain no benefit under this policy, save in the case of his becoming permanently disabled. He cannot use the policy as a commercial asset, or pledge it for his debts. The beneficiaries thereunder are strictly limited to those who are, or may be, dependent upon him, and payments under the policy, instead of being paid in a lump sum, are spread over a term of years—in the hope of thus protecting the beneficiaries against loss owing to unwise investments, or fraud.

If then the majority of ex-service men can have brought to their attention the objects of the Act and can be made to understand with fairness its exact provisions, the country, under the plan as devised, is not called upon by means of a sales force, or other high pressure methods, to enter at large into the insurance field. There remains some doubt as to whether we have adequately fulfilled the primary duty of publicity and explanation, and the report, therefore, recommends that a limited number of returned soldiers after proper instructions, between now and September 1, 1922, when the Act goes out of operation, should lay before their comrades a full explanation of its terms.

[Mr. Cronyn.]

So far as can be judged by representations made to the committee, the main causes for criticism of the present Act may be placed under three heads:

1st. That the initial payment to beneficiaries is limited to one-fifth of the face of the policy. It is clear that where a policy is for the minimum amount, viz: \$500, or indeed until it exceeds \$1,000, the payment of one-fifth would produce so small a sum as to be of little real assistance to, say, a widow who is faced with the debts consequent on her husband's illness and death. Again in the case of these small policies, the balance due to beneficiaries must, under the terms of the Act, be spread over a series of years, not less than five. This means that, under the minimum policy, the widow or other beneficiary would receive about \$100 per annum, manifestly too small a sum to be of real benefit. The committee therefore suggests that the initial payment shall be \$1,000, or the full amount of the policy if the latter be not in excess of that sum. This means that on policies for \$1,000 or less, the whole amount will be paid on death, and that for policies over that amount, \$1,000 shall be paid on death, and the balance over a term of years. About forty per cent of the policies written are for the maximum amount of \$5,000 each, so that the suggestion above noted makes no alteration to this class. It will, however, come as a distinct relief to the beneficiaries under those policies for an amount less than the maximum.

2nd. That the benefits of the Act are restricted to those residing in Canada. It has been pointed out that applications for insurance have been made by some 400 or 500 former members of the Canadian Expeditionary Force, now resident in the United States. Many of these men have, because of their disabilities, removed to warmer climate, and it appears unfair to them that they are unable to protect their dependents. Your committee has recommended that the provisions of the Act be extended to all members of the Canadian forces, no matter where resident.

3rd. That the provision in the Act which deducts from the policy the present value of pensions payable to the beneficiaries, is illiberal and unfair. The provision was inserted in the Act by last year's committee after very full consideration and discussion. It must not be forgotten that the primary object of the whole plan is to enable the soldier to protect his dependents. If these dependents then are receiving a measure of protection by way