

I have a letter here from Dr. W. L. Orr. I do not know whether to consider this a personal letter to me or not. It is adressed to the Chairman of the Commons Committee on Industrial Relations. Do you wish to have this letter on the record?

Mr. KNOWLES: Yes.

1122 Grosvenor Ave.,
Winnipeg, November 30, 1951.

The Chairman,
Commons Committee on Industrial Relations,
House of Commons,
Ottawa, Canada.

Dear sir,

I have noticed the enclosed clipping from the Winnipeg Free Press, which I am enclosing as the subject of my comments which follow.

Several years ago following discharge from the services I had occasion to consider veterans life insurance for which I was eligible. I was surprised to find that the rates were not much better than I could get on ordinary life insurance, and certainly I could not afford to drop insurance of this variety which had only been in force for two or three years. I did a little rough calculation on my own with mortality statistics available, and found very little to confirm that the rates charged were simple expectancy of death rates and that the government stood the cost of administration. In the little pamphlet published to publicise the insurance, it was actually stated that the rates were up because all veterans, regardless of whether they bore any marks of injury or not were poorer risks for their experience in the service. You will find this as the statement in answer to the question 'If the government bears the cost of administration, are the costs reasonably low?' I regard this answer as probably complete bunk, and at least unscientific, as I know of no figures by which such a 'loading' could be determined. If such a situation indeed does exist, then it is high time that the government should be paying a morbidity pension to all who were in the service.

I make this point only to suggest that the insurance companies had some hand in shaping the manner of veterans insurance so as not to expose the high costs of insurance under private companies. Now we come to another move to regain the annuity side of life insurance, which is surely the greatest racket ever propogated upon an unsuspecting public. I hold several policies with a cash value (annuity) that dissapears completely if I should die before the policy runs out, and further, since some of this cash value is loaned to me at the time, it is deducted from the face value of the policy at time of death, if still outstanding on the company books,

I would urge the committee to take a jaundiced view of any move to quit the annuity field in favour of the insurance companies. Instead I would publish the fact of government annuities louder and louder. I was 28 before I ever heard of a government annuity. If it is true that only a few of the wealthy buy government annuities, which I doubt, then surely it is to those few who pay the most tax that the government owes something to provide a means of saving with all the tax of 'management' removed.

Sincerely,

Dr. W. L. ORR.