

has been set up in the United States. It was not until the whole subject had been thoroughly studied by the Minister and a number of experts that this Bill was introduced in another place, where certain amendments were made before it was sent over to us.

It will be noted that the Bill provides for two things: first, compensation payable for damages incurred before the Bill comes into force, and, secondly, war risk insurance. It is the purpose of the Minister to spread the cost of this insurance over the whole of Canada, so that it will be equally borne. That is, places more vulnerable than others to damage or risk will not be penalized on account of their location.

Some confusion has arisen regarding insurance for the smaller fishing craft that operate off the Atlantic and the Pacific coasts. These boats, though not of great money value to the owners or their associates, are essential to them as a means of earning their livelihood. In ordinary times such boats are usually not insurable. In any event, it is commonly the case that the fishermen do not earn enough to enable them to pay for adequate insurance. The Government is taking care of that class of boat, not in this Bill, but by Order in Council. I am stating this now in order that we may be clear on the point. It was thought better to provide separately for insurance on such small craft, and the intention is that the minimum risk acceptable shall be \$300 and the maximum \$2,000. Similar protection will be available for the nets, the minimum being \$25 and the maximum \$300.

Our Law Clerk has suggested several amendments. I am informed from the Minister's office that an official will attend before our committee to-morrow in order that we may get a clear perspective of this Bill.

Hon. A. D. McRAE: Honourable senators, it is not clear to me whether the provision with respect to fishing vessels would apply to our seiners or the more valuable craft. The limitation is in fact of little importance to the fishing interests of the Pacific coast, where our boats run into values ranging from \$40,000 to \$50,000. Other major issues affect us on the Pacific coast, and they can be discussed in committee. I would suggest to the honourable leader of the House that the expert on whom the Government has been depending for the preparation of this Bill should attend our committee to-morrow, in addition to our Superintendent of Insurance and any other departmental officials who have any information to offer on the

Hon. Mr. KING.

subject. I think it important that we should have a pretty thorough discussion of this Bill, because I have found in my recent trip west that many people are somewhat in the dark as to what is intended to be done by this proposed legislation.

Hon. WILLIAM DUFF: Honourable senators, I am sure we all appreciate the honourable leader's explanation of this Bill. Last night I presumed that the proper time to explain a bill was on its first reading, and I have to apologize for my lack of knowledge of the procedure of this Chamber.

As honourable members are aware, on a motion for second reading of a bill we discuss its principle; that is, what it means and what will happen upon its enactment. As I remarked yesterday, after arriving in the city I endeavoured to give a little thought to this Bill. To that end I read it over at least three times, but, as I said then, I was still at sea regarding the purpose of the measure. Although the prospect is a little less cloudy to-day, I am still in a dense fog and, as you will notice, my siren is still blowing.

It seems to me that legislation of this kind is dangerous. The Bill is entitled "The War Risk Insurance Act." We have been told by the honourable leader of the Government that one of the reasons for its introduction was that insurance could not be had with the regular line fire or marine insurance companies, and that some boats are of such low value that it would be impossible to insure them in the ordinary way. I regret to say that I cannot agree with this contention. In my experience, which I admit is not very extensive, I have found no difficulty in getting war risk insurance covered by marine underwriters. Just this morning I put \$24,000 war risk insurance on goods aboard a fishing vessel now on the Grand Banks, and returning to the port of Lunenburg within the next fortnight. I think that business men in Halifax and other Canadian ports have no trouble in covering their marine risks. I am thinking particularly of my honourable friend in this Chamber who knows a great deal more about marine matters than I do (Hon. Mr. Paterson). I am pretty sure he will agree with me, though sometimes he may object to the rates which the insurance companies charge, that he does not have much difficulty in securing coverage for his ships. I do not like this idea of the Government going into the insurance business. In the last few years we have been getting away from what the Fathers of Confederation meant when they took action which was crystallized in the British North