

The CHAIRMAN: Shall the amendment carry?

Carried.

The CHAIRMAN: Shall clause 5 as amended carry?

Carried.

The CHAIRMAN: Clause 6, the war clause, deals with section 11 with respect to which we permitted, at the beginning, a representative of the National Command of the Canadian Legion to make a recommendation. I think, perhaps, a good way to begin discussion of this would be for the officials of the department to outline the effect of this. I gather they are not of the opinion that the Act as amended does indeed do that which the Legion seems to anticipate.

Mr. BURNS: Mr. Chairman, the effect of this amendment will be to permit of the insertion of a war clause in any contracts of insurance that may be taken out hereafter. It will not affect any of the insurance which veterans of World War II may now have. The particular purpose of this Veterans Insurance Act was, of course, to protect veterans who after they came back from the war might have some disability that would render them, perhaps not uninsurable, but because they were risks which would not commonly be accepted by the commercial companies, unable easily to obtain insurance, and the view was taken when this matter was discussed that by giving this extension of 3 years the fund might be compromised, if a considerable number of veterans who may be enlisting to go out to Korea, or some other conflict, were able to take out an insurance prior to going out. As the ordinary insurance companies are all at this time including war risk clauses, it was felt that such clauses should be put into any contracts which were entered into by veterans of World War II subsequent to the amendment of the Act. Therefore, I think there is some misapprehension in the brief of the Legion, where they say it would penalize an ex-service man who, having entered into a contract for insurance under the Act, subsequently decides to serve his country by enlisting into the armed forces, whereas, as I have explained, those who have contracts at the present time would not be affected.

Mr. BROOKS: Could not a man, before he enlists, still take out this insurance? I would have thought a great many would do it, and still be eligible for the insurance if it was taken out immediately before going overseas.

The CHAIRMAN: All of those who at the present time have a contract, have a good contract. But after the coming into force of this proposed amendment, contracts would have a war clause in them.

Mr. BROOKS: Yes, but we have already said a veteran has three years more in order to take out insurance. He takes out his insurance; nobody knows whether he is going to enlist or not but himself, and he decides to take out this insurance before he goes overseas, and there is no reason why hundreds of thousands of them should not do it and come under this section.

The CHAIRMAN: At the present time they would, but a man having no intention of re-enlisting, but having entitlement, after this clause becomes effective, if he enters into a contract without any intention of going overseas, but subsequently is re-called or re-enlists, then, of course, in his case, the contract having been entered into after this amendment to the Act itself, will have a war clause in it. There will be no more contracts without war clauses.

Mr. BROOKS: But that would hinder enlistments.

Mr. GEORGE: Does Mr. Burns know that companies have included war clauses in their policies?