

vice, although those words occur incidentally. The Bill is an exceedingly simple one. Some twenty-six years ago the House determined to insure its civil servants on premiums which would be self-supporting, and the business of insurance then started, having been carried on ever since. The scheme carries itself, and now has its reserves, so that if it were under a private company the company would be in a position to carry on business properly. The object of the Bill is simply to make the provision capable of greater use by civil servants. The original Bill merely covered civil and military employees, and while as a matter of fact some naval employees have been carried under the scheme, it has been pointed out that strictly speaking the benefits of insurance are entirely removed from the naval service. There are still some people who are classified as coming under the naval service, and I do not suppose that hon. gentlemen will say that they ought not to get the benefit of the insurance scheme, whether they be many or few. That is the first amendment. The second amendment is as to the amount of the policy. The present limitation is \$5,000, which was established in 1914. Before that there was a smaller limitation. In 1914 the amount of insurance in force was \$1,564,000; to-day the amount in force is \$8,102,000. The present proposition is to allow insurance to be written to the extent of \$10,000 in place of the former limit of \$5,000. The inspector says that a large number of Civil Service employees have made application for an increase and he is confident that policies to the number of 100 or more will be written when the limitation is removed. The third change is simply one which will enable the insured to have the amount of the loss paid not in a lump sum to the beneficiary but so that the beneficiary will be put in such a position that he cannot waste or lose the money by a provision which will enable the Government to pay the insurance in the way of an annuity. There is one thing which I think the committee will be pleased to hear and that is that during the period of the war this fund carried the insurance of all the civil servants who enlisted without raising their rates, paid \$150,000 in discharge of war claims, came through the influenza epidemic of last year which of course was very expensive, costing over \$43,000, and is still in a healthy and self-supporting condition.

Mr. DUFF: I take it that this insurance is really for civil servants in the Fisheries Department, the Naval Department and in other branches of the inside service.

Sir HENRY DRAYTON: And the outside too.

Mr. DUFF: It would not include men in the naval service, or on ships such as the Niobe or the Rainbow?

Sir HENRY DRAYTON: I do not know why not.

Mr. DUFF: Would it include sailors and firemen?

Sir HENRY DRAYTON: It would include everybody if permanent.

Mr. DUFF: All the employees of the Government?

Sir HENRY DRAYTON: All the permanent employees of the Government as I understand it.

Mr. MACKENZIE KING: I think we should have some statement as to whether the Government intends to have a permanent naval service and to encourage the men to take out insurance in consequence of being members of the naval service.

The CHAIRMAN: The question which the hon. gentleman puts as to the policy of the Government concerning the establishment of a permanent naval service would not be in order on this resolution. This resolution is presented by the Minister of Finance for a specific purpose and while I considered it was in order to permit the hon. member for Lunenburg (Mr. Duff) to put a question concerning the existing naval service, I hope the matter will not be further discussed.

Mr. MACKENZIE KING: I confess I see some difficulty in supporting the resolution as it stands without knowing what the intention of the Government is. That is fundamental to the discussion of this resolution. I do not wish to open any discussion on the point the chairman has raised, but I do think there is a very serious question involved. The Minister of Finance has mentioned that some members of the naval service already have insurance.

Sir HENRY DRAYTON: I think so, but I am not quite sure on that point.

Mr. MACKENZIE KING: One thing we know, however, is that the greater number of the naval officials have been summarily dismissed by the Minister of Naval Service (Mr. Ballantyne). If these men have been dismissed and if they have taken out insurance what position are they in?

Sir HENRY DRAYTON: They will not be prejudiced at all. The idea of the scheme is to cheapen insurance to our employees.