

not fancy the idea of the Government going into the insurance business. According to this Bill the Government, at the discretion of the Minister, may employ as many people as they wish, including:

Such other officers, clerks and employees as are necessary for the proper administration of this Act.

Also, they may fix the remuneration. The whole matter is in the hands of the Minister. Then when it comes to the question of valuation there would be a governmental appraisal by civil servants—something which to me appears unsound and dangerous. As a matter of fact, I do not like this Bill at all.

I think my honourable friend is quite right in saying that if any damage occurs the Government should make an assessment as in the case of the city of Halifax, but that this insurance business should not be placed entirely in the hands of the Minister, who can advance moneys as he deems fit. My honourable friend (Hon. Mr. Duff) says that a very large staff would be set up here in Ottawa. I am inclined to agree with him, because we know that once an Act is passed creating a new department, and is placed on the Statute Book, that department will grow amazingly.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. BALLANTYNE: So far as I am concerned, despite the fact that I have not a complete knowledge of what the Bill contains, I am bound to say that I do not like this measure at all. I hope that after it is referred to the committee the judgment of the House will be such that we shall refuse to pass it.

Hon. CREELMAN MacARTHUR: Honourable senators, I agree with the honourable member from Lunenburg (Hon. Mr. Duff) and the honourable leader on the other side (Hon. Mr. Ballantyne). I do not like the Bill. In any case it seems to me that while we may have some bombings and the destruction of a few homes or other buildings by bombs or resultant fires, the chances are 80 to 20 against the Bill ever being of much use. One or two questions give me some concern. Will the insurance companies assume the obligation of paying compensation for damage caused, not directly by bombs, but by resultant fires? Or will such damage be placed in a different category from damage caused directly by bombs?

Perhaps there are some insurance men here who can enlighten me on this next point. I believe, though I am not sure, that in the last war enlisted men who had insurance policies were not required to pay extra premiums. I do not know what practice is

being followed in this war. Among our Canadian men there will be thousands of casualties, whose widows and families will suffer if the insurance companies make payments under the policies on a reduced scale, or charge against the policies higher premium rates. I think that if I were an insurance man I should feel the companies were entitled to an extra premium for the additional risk assumed, but whether they themselves feel the same way I do not know, nor have I been able to find out by inquiring from a number of persons.

Hon. Mr. DUFF: Of course they charge higher premiums when the risks are greater.

Hon. Mr. MacARTHUR: Did they do that in the last war?

Hon. Mr. DUFF: Yes. I may say to my honourable friend that the rate of premium is based on the risk which the insurance company takes. For instance, I know a Nova Scotia business man—I will not mention his name; he is not a thousands miles away—who sent some fish by rail to Pensacola, Florida, from where it was shipped by steamer to Porto Rico. The rate of premium on the war risk from Pensacola to Porto Rico was 4 per cent. About the same time he shipped fish from New York to Porto Rico, and on this consignment the rate of insurance was 10 per cent. The rate on shipments from Halifax to the West Indies to-day is 10 per cent. Insurance companies decide what the risk is and base their rate on that. They did the same in the last war.

Hon. Mr. MacARTHUR: This Bill, I think, is really unnecessary. There is a possibility that it will be of some service, though the probability is that its provisions will not have to be widely applied, for there will not be much damage caused in Canada by shelling or bombing from the air. However, many thousands of enlisted men who took out insurance policies in normal times agreed to pay premiums at fixed rates, and no conditions were mentioned under which higher premiums would be charged. Now that they have volunteered to fight for their country and have gone into active service, they should not be penalized by having to pay extra premiums, and where death occurs the widow and family should not be penalized through payment of a reduced amount under the claim.

Hon. L. COTE: Honourable senators, I have been a member of this House a few years now and I do not recall any other Bill having been so thoroughly destroyed by a short speech as this one was by the remarks of the honourable senator from