

man who represents the Government in this House (Hon. Mr. Dandurand). We have arrived at a certain impasse. That is to be solved. I do not think it is our part to send a petition to the other House, asking for a message; but the Government, through its representative here, may be advised of the position. The matter stands until he has an opportunity of communicating with the other members of the Government and coming to some arrangement which will remove the impasse. I sincerely hope that that will be done. I would like to see this Bill go through.

Hon. Mr. DANDURAND: I have not grasped the point made by my honourable friend opposite (Hon. W. B. Ross) as to the procedure, novel in its form, which might be initiated in the House of Commons and might reach us, because it would be so simple that if the House of Commons, or the Minister of Finance desired to propose such a message, he could move to that effect in the other House. But I am ready to examine into that question of procedure. I understand that the amendment made in the Committee has been declared out of order. Then the Bill stands for third reading. We can abstain from taking the third reading now, and put the Bill down for third reading at the next sitting of the House, and in the meantime I will see what can be done.

Hon. Mr. BELCOURT: Might I make a suggestion to my honourable friend? It is quite evident that at one time, in 1924, the resolution authorized the carrying out of the Act without the additional charge covering the interest. In other words, in 1924 the resolution upon which the Act was based must have given to the Commons the power to supply the whole amount required, irrespective of this amount of half a million which is the product of interest. So that in 1924 the resolution must have authorized the House to make a Bill without provision for interest. I do not know whether the resolution this year is in the same terms. If it is, there is no reason why our suggestion should not be accepted by the Commons.

Hon. Mr. DANDURAND: The difficulty with the Minister of Finance arises from the opinion that he received as to the working of this Act at present and in future. I may as well put on record the statement which the Minister of Finance has to meet. It is signed by Mr. Finlayson, Superintendent of Insurance, who drafted the first Bill and followed its working:

Hon. Sir GEORGE FOSTER.

The Superannuation Bill, as it passed the Commons in 1924, did not provide for interest on arrears of contributions paid by persons transferring from the old funds to the new. The provision for 4 per cent simple interest was inserted by the Senate.

It was omitted from the original Bill, not because it was considered inequitable that interest should be charged, but because it was desired to give every possible encouragement to the men to transfer and because some consideration had to be given to the fact that the men had not been asked, or indeed permitted, to contribute more than the 3½ per cent or 2 per cent called for by the old Act.

The provisions of the Bill were in this respect extremely generous. Strict equity would have demanded 4 per cent compound interest. The Senate provided for 4 per cent simple interest.

The Act was passed with this provision for interest and the interest has been collected.

I cited this part a moment ago.

I have been frequently asked to recommend its repeal, but have declined to do so on the ground that until all transfers to the fund are effected and a valuation of the fund made I am not in a position to say that the cost to the Government will not be in excess of 50 per cent of the total cost. It is impossible to say what the effect of the repeal of the provision will be. I cannot tell, nor can any person tell, how much money will be lost to the Government, because no person can tell how many men will transfer because of its repeal who would not have otherwise transferred.

It will also inevitably involve a revision or an adjustment of contributions already made including this interest. The repeal of the provision as respects persons transferring in future cannot be made without also conceding to those who have already transferred with the interest provision, the right to a refund or the readjustment of future payments. What the amount of this refund will be can probably be estimated by the Department of Finance.

For the foregoing reasons I have advised the various delegations that have waited upon me that I cannot recommend the repeal of the provision and that the responsibility therefor should be taken by the Senate.

To that was annexed a statement of Mr. Macfarlane, the Accountant, which I read, and which said that the amount paid in respect of interest to date, and which would have to be reimbursed, would probably be in the neighbourhood of \$550,000.

I mention these things in order that the Senate may understand what has been the situation in the Finance Department. Besides, since we passed that law there have been extensions of the Act, and certain variations in the number of persons who were expected to come under it, and also in their status; some have since married, and so on. So the Superintendent of Insurance, who is watching the actuarial work, stated in the Committee that if we passed that amendment he would be