

of those the highest abatement paid was five years and eleven months.

Of those superannuated in 1876, eight are upon the superannuation list, with an average age of 71 years drawing \$6,163.60 per year out of the fund, and of these the highest superannuation abatement paid was for six years and five months.

Of those superannuated in 1877, thirteen are upon the list, with an average age of 74 years, drawing \$5,898 per year out of the fund, and of these the highest abatement paid was for seven years and six months.

Of those superannuated in 1878, nineteen are still upon the list, with an average age of 80 years, drawing \$6,887.94 per year out of the fund, the highest abatement paid being for eight years and six months.

Of those superannuated in 1879, nineteen are upon the list, with an average age of 74 years, drawing \$8,963.54 out of the fund per year, and the highest abatement paid was for nine years and seven months.

Of those superannuated in 1880, fifteen are still upon the list, average age of 75 years, drawing \$6,193.63 per year out of the fund, the highest abatement paid being for ten years and seven months.

Of those superannuated in 1881, twenty-one are still upon the list, at an average of 74 years, drawing \$8,116.92 per year out of the fund, the highest abatement paid being for eleven years and four months.

Of those superannuated in 1882, there are upon the list twenty-two, average age of 73 years, drawing \$11,665.48 yearly from the fund, the highest abatement paid being for eleven years and eleven months.

Of those superannuated in 1883, there are upon the list 33, average age 74 years, drawing \$13,219.50 per year from the fund, the highest abatement paid being for thirteen years and seven months.

Of those superannuated in 1884, there are twenty upon the list, average age of 68 years, drawing \$9,527.18 from the fund, the highest abatement paid being for fourteen years and five months.

Of those superannuated in 1885, there are sixteen upon the list, at average age of 67 years, drawing \$7,609.10 per year from the fund, the highest abatement paid being for fifteen years and five months.

Of those superannuated in 1886, there are twenty upon the list, with an average age of 73 years, drawing \$10,019.78 from the fund per year, the highest abatement paid being for sixteen years and four months.

Of those superannuated in 1887, there are twenty-six upon the list, with an average age of 70 years, drawing \$18,988.40 yearly, the highest abatement paid being for seventeen years and ten months.

Of those superannuated in 1888 there are upon the list twenty-nine, the average age is seventy years, the amount drawn yearly \$20,076, and the highest abatement eighteen years and six months.

Of those superannuated in 1889 there are upon the list thirty-five, the average age is sixty-nine years, the amount drawn yearly \$21,659, and the highest abatement paid nineteen years and two months.

Of those superannuated in 1890 there are upon the list twenty, the average age is sixty-five years, the amount drawn yearly \$12,886, and the highest abatement paid twenty years and six months.

Of those superannuated in 1891 there are on the list thirty-nine, the average age is sixty-seven years, the amount drawn yearly \$26,878, and the highest abatement paid twenty-one years and four months.

Of those superannuated in 1892 there are on the list twelve, the average age is sixty-eight years, the amount drawn yearly \$10,047, and the highest abatement paid twenty-one years and eight months. Totalling up these figures, I find that the total number upon the establishment in 1870 who are drawing superannuation to-day is 391. Of these 387 are the average age of seventy-one years, and the total yearly

amount they draw is \$219,842, while the total number on the list in 1892 was 502, and the total yearly amount they draw is \$255,023. I have given this statement for the purpose of showing that the overloading of this superannuation fund is due almost entirely to the fact that old or elderly servants who were in the service of the country in 1870 were placed upon the superannuation list at that time, with either no payment or abatement, or a comparatively small payment into the fund, and have been a charge upon the revenues, some of them from 1870, and many of them for a number of years since. It will be seen, then, that there is a cause why the superannuation system has been so burdensome; and if those who were old in the service in 1870 had not been put upon the list, and those who came in after that date and were put on had paid their abatements, there would have been a natural increment of abatements, and there would have been only a natural relative falling-in of superannuated persons to draw upon the fund. That, then, is the reason why the superannuation system has proved so burdensome. It has not been the fault of the system, but the fault of the action of Parliament—I am not going to say wrongly—in overloading the system at its commencement by putting on the list those who were made eligible for superannuation.

Mr. MILLS (Bothwell). I may say to the hon. gentleman that the Bill fixing the superannuation amount was introduced by Sir Francis Hincks when he was Minister of Finance, and he estimated 4 per cent as the amount necessary to supply the necessary annuities. The hon. gentleman is now fixing the percentage at a lower rate. Has he taken an actuarial estimate in arriving at the rate?

Mr. FOSTER. I will come to that in a few moments. The other reason was what my hon. friend just stated, that although 4 per cent and 2½ per cent respectively as abatements were considered sufficient at that time to carry the annuitants, they were reduced a few years later to 2 per cent and 1¼ respectively, and these were far below what was necessary. These are two reasons why this system has been so burdensome in its results. Now in the present proposition there are two elements. One is to commence de novo. Some may say, why not abolish the superannuation system compounding in some way with the present beneficiaries. I think there are two reasons why the House would be slow to do that. In the first place, the present civil servants have grown up in the service on the basis of a superannuation which they had in view when they entered the service, and to which they have loyally contributed, and after they have grown comparatively old in the service, I think it would be a harsh thing for Parliament to deprive them of the benefits of this system at the present time, and I do not imagine that Parliament would seriously consider any such proposition. So that, for good or for evil, we have to carry out the system with regard to those at present employed in the service. There is, however, a silver lining to the cloud in one respect, which we cannot rejoice in, but which in the order of nature we may be permitted to contemplate. Those servants who are now the large annuitants, and who draw largely on the fund have an average age of 71 years, and many of them go up into the nineties. In the order of nature, these will pass away rapidly from year to year, so that a few years hence will see a large proportion of the present heavy burden taken away from the fund. Therefore, I do not anticipate that in the future the disparity between the income and the outgo of the fund will be so large. It will, I think soon begin to diminish constantly and fairly rapidly. Then with reference to those who come into the service in the future the question is whether we shall have any superannuation system. There are two sides to that question. The one side which forces

itself upon my attention, and which, I think will also force itself upon the attention, of the House, is this, that after all a fair superannuation system is not the least economical system—is, in my belief, the most economical. There is a sympathy with men who come into the service at an early age, and grow up in the service, and when the time approaches that they are not able to do their fair share of work, or to do their work at all, there is a lack of desire to put these men out of the service without anything, and, without a superannuation system, the tendency of that sympathy would be to keep men on drawing their salaries as long as possible, whether they could do their work fairly well or not, and, as the work has to be done, to put other men on to do the work, and so to overload the service with people who are not active servants in the best sense, and who do not do the best work. On the other hand there is this to be taken into consideration, that you have not at all exhausted this subject when you consider the payment into the superannuation fund, and the payments out. You have also to take into account the question of the real economies effected by the superannuation of persons with high salaries and filling up their places with persons at lower salaries, or doing away with the offices altogether. I have not had a calculation made as to all the departments; but I have had some calculations made with reference to my own department, and I can fairly challenge the investigation of the House in regard to the superannuation in the Finance Department for the last ten or fifteen years. Any person who goes through it will see that the system has been established for the purpose of doing away with servants who had become unnecessary owing, not to less work but to better arrangements of the work, or to the appointment of persons younger, with less salaries, and who do the work efficiently. I will not weary the House with reading examples, but this is a side of the question we ought to take into account. Another thing which burdens the superannuation system is the taking into it of men at an advanced age, when possibly they will have but ten or twenty years of active service and then come in for the full benefits of the superannuation fund in proportion to the term of each. What the Bill proposes then is to commence de novo, without at all disturbing the present situation, so far as the civil servants now employed are concerned. It proposes to form a superannuation number two, into which shall go civil servants appointed after the passage of the Act. It is proposed to make the abatement what is considered a fair abatement not so much as that proposed by Sir Francis Hincks in introducing his measure. We propose to make it 3½ per cent instead of 4, and 3 instead of 2½ for salaries under \$600. We propose to limit the age at which employees can go upon the superannuation list to forty-five. That is to say, no person who is appointed over forty-five years of age shall have the benefit of the superannuation, and the idea of this is to encourage what we ought to encourage the getting into the service of younger men, who will be trained up to the work gradually, and will give to the country the best service they possibly can, and to discourage the taking in of men of advanced years whose term of service would be naturally short and who become more burdensome upon the superannuation list. So that one point in this Bill is that persons who are employed in the Civil Service of forty-five years of age and upwards shall not be eligible to be put on the superannuation list.

Mr. MILLS (Bothwell). Nor charged.

Mr. FOSTER. Nor charged, certainly. Then I have had, as my hon. friend intimates, actuarial calculations made. I suppose my hon. friend does not wish me to read the tables but merely to give the results. The results show that, on the basis of 3½ and 3 and on the basis