

misapprehension as to the intention of the Government, and that the House and the country may understand that the Government does not propose to interfere with the legitimate insurance companies of the country beyond their own civil servants. The House will remember that the first Superannuation Bill was passed in 1870. The provisions of it will be found in 33 Vic., chap. 4. It was introduced by the late Sir Francis Hincks. At that time he proposed that the abatement should be annually 4 per cent on all salaries of \$600 and upwards, and 2½ per cent on all salaries under \$600. Calculations have shown that if that rate had been maintained up to the present time and the fund had not been loaded at the time it was passed by the superannuation of a large number of employees who had never contributed to the fund, many of whom are still drawing their pensions, that abatement would have been sufficient to have balanced the accounts. Shortly after, by the Act 36 Vic., the annual abatement was reduced from 4 to 2 per cent upon salaries of \$600 and over, and to 1½ per cent upon salaries under \$600. This reduction has had the effect of placing a charge upon the revenue of the country very much in excess of the receipts, as is shown by the public accounts of last year. In 1891-92 the amount paid by civil servants into the fund amounted to \$63,892.79, but the sum paid out to those who had been superannuated amounted to \$253,679.88. This disparity, the House will see, is very great. I have the table before me, but I will not weary the House reading it, showing the operation of the law as it stands on the Statute-book from 1871 to 1892. That is including the first year on the 4 per cent and the 2½ per cent, and then under the 2 per cent and the 1½ per cent. I will just call the attention of the House to this fact, that the first year there was paid into this fund \$49,000, the second year \$53,000, and the third year \$54,000. The law was then changed, and the receipts from this fund fell to \$34,000, and it has only at the present day reached the sum to which I have already called the attention of the House, \$63,000, while the expenditure has reached \$253,679. Under the circumstances, two propositions suggested themselves to the Government. One was to abolish the whole system; the other was to so amend the law as to try and make the accounts balance in a very few

years, and by the system of insurance which it is proposed to add to the superannuation, to make a provision for the widows and orphans of civil servants who die in the service. Those who have studied the question know that a civil servant may contribute to the fund for 35 years, after which period his contributions cease; he may then continue in the service for 5 or 10 years longer, as his health would permit, and if he is able to perform the duties of his office. The provision that you can retire a civil servant at 60 years is not imperative. It is imperative on the part of the officer to accept if the Government so decree, but if he maintains his health, as many of them do, he can continue for a longer period. I can give you one or two illustrations where they approach the age of nearly 90. Take the late clerk of the House of Commons, he was 89 or 90 when he was superannuated, and he was then a vigorous and active man and performed his duties admirably. That officer might have paid into the superannuation fund during the whole 35 years and then draw a pension for only a few years, and when he dies his family gets nothing. Or take a still harder case, one in which an officer may have been 35 years in the service, all that time contributing to the superannuation fund, if he drops off before being superannuated his family gets nothing, or all they get is the two months' gratuity which is paid to all officers. As an illustration of longevity in this country we find upon looking into the records that there are no less than 391 persons now upon the superannuation list drawing their annual pensions, who were placed on the retired list in 1870-71, at which time the Superannuation Act was passed.

Hon. Mr. POWER—They had paid nothing.

Hon. Mr. BOWELL—A large proportion of them never paid anything into the fund at all, and that is one reason why, as I said before, it has been overloaded. The average age of those 391 persons now upon the list is about seventy-one years which speaks well for our climate. Some of them run from eighty to ninety. It has been contended by some that we should abolish the whole system. This is scarcely advisable under the circumstances. I may add, although it has nothing to do with this question, that when