I have not very much to add, Mr. Speaker, except that on this specific point I have just discussed I may say that in the first phase of this combined annuity contract, the highest amount of annuity provided by this contract may exceed the maximum of $2,400 inasmuch as the average payment calculated on an actuarial basis does not exceed $2,400 per annum. That means that between 65 and 70 the annuitant can get more than $200 a month because when the reduction of his annuity starts at age 70 on an actuarial basis the average monthly or yearly annuity that will be paid to him will not exceed the new maximum set by the legislation.

Before I take my seat I must correct a false impression that the hon. member for Hamilton West (Mrs. Fairclough) seemed to be under this afternoon when she intimated that under the new amendments in the group contracts an employee will be authorized, should he change employer, to have his credit transferred to another group plan. This is a misconception. Nothing of the sort is intended by the amendment. What is meant is that should the employer change somehow or other through sale of the interest of a firm in any plan, then the contract will be amended under this new amendment to transfer to the acquiring company or individuals the participation which he may have as employer in this particular employer-employee plan.

That is all I wish to say tonight, Mr. Speaker. I shall not discuss the interest rates. Much emphasis has been placed on the change in rates which took place in April, 1948, by the reduction from 4 per cent to 3 per cent. I might remind my hon. friends that there is no statutory provision for such a change. The interest rate is determined under a provision of the act which empowers the governor in council to vary the rate of interest upward or downward. Therefore I will not discuss it. I just wish to remind my hon. friends that if they will review the circumstances in 1908 when the government annuities were introduced they will realize that this was not intended to be what in late years we have been accustomed to call a subsidized social welfare scheme. It is true that inasmuch as the administrative charges were being borne by the government this was an element of subsidy. Inasmuch as there has been a favourable differential between the rate of interest of annuity contracts and the yield of long-term government bonds, there has been an element of subsidy. But in 1908 —and it is on what took place at that time that the real spirit and purpose of the legislation must be determined—the rate of interest yielded by government bonds was 3·9 per cent when the interest was determined at 4 per cent for the purpose of government annuities. Therefore at that time a differential of one-tenth of one per cent in the rate of interest was surely not intended to be and remain an important feature of subsidization by the government.

**Mr. Johnston:** Are you going to wait until it reaches 9 per cent before you make any changes?

**Mr. Cote (Verdun-La Salle):** As time went by there were changes. During the first quarter century of the existence of our legislation the yield on government bonds varied from 3·9 per cent to 6 per cent. So this 4 per cent has played both ways.

I believe there has been ample discussion of the question of interest rates at this stage. I am sure the Minister of Labour was wise in his intention to recommend reference of the bill to the committee on industrial relations, before which, if the committee wishes, officials of the department including actuaries will appear. These officials will be only too pleased to give their views on any point that may have to do with their sphere of responsibility. I should think all hon. members should be satisfied that these amendments are intended to improve the act, to give greater flexibility and to provide better protection and privileges for the annuitants, as well as for any others interested in these contracts.

Motion agreed to and the house went into committee, Mr. Dion in the chair.

**Mr. McIvor:** Will this amendment improve the position of agents who sell annuities on commission? The passing of the old age pensions legislation, which increases the pension, has discouraged these agents, and they cannot afford to sell their annuities at the same rate. Will this improve their position in any way? We want to hold them in their jobs, if possible.

**Mr. Cote (Verdun-La Salle):** The rate of commission received by salesmen is determined by regulation. There is nothing in the amendments to be brought forward which will change the rate at which the salesmen are remunerated. It may be that new features brought into the act will increase the sale of annuities to an extent greater than may have been forecast, and in that sense salesmen would find the job easier and their remuneration would increase accordingly.

**Mr. Knowles:** Mr. Chairman, I should like to say a few words by way of comment concerning some of the observations of the parliamentary assistant to the Minister of