

included school teachers, stenographers, nurses, business men in a small way, farmers and so on. Their savings are limited; they are not able to make provision for their old age in the manner in which they were invited to do by the dominion government and at the same time make the compulsory savings provided for in this bill. It is only because these people are among the small income group that I make this appeal to the minister. I should have mentioned that to my own knowledge there are large numbers of clergymen who have attempted to provide for their old age through the purchase of annuities. Goodness only knows that clergymen throughout this country have not been overly well paid. An hon. member suggests that they are in receipt of pensions, but those pensions are so small that they are not sufficient to support the clergymen when the time comes for their retirement.

I think the minister might well give this section further consideration and extend some concession to that very large group of individuals who are endeavouring to provide for themselves. He should not overlook the fact that the moneys paid in on account of annuities go into the very same fund as the savings made under this bill; both go into the consolidated revenue fund. What is more, money paid under these annuity contracts cannot be withdrawn until the contracts mature, unless a person dies before the maturity of the contract; it is there for an indefinite period. It is true that under the compulsory savings feature the money is retained for a period after the cessation of hostilities, but it is almost certain that most of that money will become payable long before the great majority of the annuities now in force will mature.

Mr. ILSLEY: I want to make it perfectly clear that persons who buy government annuities, or who have bought government annuities, as far as I can see are not hurt at all except to the extent of 2 per cent per annum on their premiums. Let us consider the situation of one who has bought a government annuity; let us say that I bought one on which the premium is \$100 a year.

Mr. JACKMAN: I think anyone can see that there is no harm done; but, if the minister will allow me to say a word or two, I cannot possibly see where the difference lies between the government annuity and life insurance. I support the contention of the hon. member for Regina City. I have had a number of letters from nurses, young women in business and older people who are trying to make some provision for their old age. I fail to see where a person is discriminated

against if he fails to pay the premium on a life insurance policy which, let us say, has been in force for more than three years, as will be the case with the great majority of people. Of course some will be brand new, and there would be a real discrimination there. I do not want to bring up this matter with any idea whatever of lessening the number of savings contracts that may be used as offsets against the minimum saving requirement, but where is the substantial loss or forfeiture to the taxpayer if he lets his premiums fall by the wayside for three or four years? The majority of the people had to let their premiums go during the depression, and then when times got a little better they picked them up again.

The second point is that under section 5 there is provision whereby people who belong to large institutions, insurance companies and large corporations, are not only allowed to save money but get a tax deduction of up to 5 per cent of their salaries, whereas the people who pay money into a government annuity are allowed no tax deduction. The coupling of sections 5 and 8 I think works a very great discrimination in favour of the person saving with the large institution, as against the person who has the foresight, sagacity and energy to provide for his or her old age.

The third point is that if the minister does not allow people to continue to make payments under their government annuities, under which the government gets the money, which cannot be withdrawn, but instead makes the people pay part of their tax in the form of a minimum savings requirement, then perforce these people will have to drop their government annuities, and as I see it the government will be no better off. With those people it is entirely optional whether they pay the minimum amount of savings or pay the money into a government annuity. The reasoning of the minister in endeavouring to follow his own principle "without substantial loss and forfeiture" is again fallacious, and I think he is working a real hardship on a large body of people with small incomes who are endeavouring to provide for their old age through the purchase of dominion government annuities.

Mr. ILSLEY: The person who insured his life in the early years of the policy at least does expose himself to substantial loss or forfeiture by letting his premiums lapse, because he cannot get a loan on the policy to keep it going. The hon. gentleman must be talking about a policy that is so far advanced that the individual can get a loan of enough money to carry the policy for a few years.

Mr. JACKMAN: The average policy.