

Civil Service Superannuation

Sir HENRY DRAYTON: How can we do justice to those who are in that fund unless they are separately maintained and we know they are entitled to it?

Mr. MALCOLM: Any balance that exists the government has to pay.

Sir HENRY DRAYTON: What does the hon. member mean by "Any balance that exists," if there is no balance now? The point about that would be this: Under the old act, while you say the government did not contribute, as a matter of fact they did contribute, and what has been said in that regard is incorrect. They contributed in this way. The employee had to put up 2 per cent of his salary. Under the act he was entitled to an annuity on a specific basis. If the amount at the credit of the fund which was created by the 2 per cent was insufficient to cover the annuity, the government paid something.

Mr. MALCOLM: Yes.

Sir HENRY DRAYTON: So that it is not correct to say the government was at no expense in regard to Fund No. 1.

Mr. ROBB: I think my hon. friend is quite right in that.

Sir HENRY DRAYTON: With the 2 per cent, what was the annuity? It was an annuity of one-fiftieth of the average salary for the last five years.

Mr. MALCOLM: Three years.

Sir HENRY DRAYTON: What do we pay in order to supplement the 2 per cent paid by the annuitants under that fund?

Mr. ROBB: They have never kept that on a proper basis. It has never really been kept separate.

Sir HENRY DRAYTON: Then we cannot get at that. We would not get at it by simply saying that \$750,000 represented that because that payment of \$750,000—

Mr. ROBB: That is Superannuation Fund No. 2.

Sir HENRY DRAYTON: That sum was added for the purpose of putting Fund No. 2 on an actuarial basis. The expenses in connection with Fund No. 1 are apart from that entirely, and the minister tells us he cannot say what those expenses were.

Mr. CHEVRIER: That would all show the necessity of doing away with that system and introducing a new system.

[Mr. Malcolm.]

Sir HENRY DRAYTON: As far as Fund No. 1 is concerned, we do not know where we are, whether it is costing nothing, or whether they have been paying too much or too little.

Mr. ROBB: We know they were paying too little.

Sir HENRY DRAYTON: It is hit or miss. Fund No. 2 is exactly the same as the other, with the distinction that it is 3½ per cent instead of 2 per cent. If I have understood my hon. friend correctly as to the position of the government its contribution is not a fixed percentage but the government puts itself in the same position as it did with regard to Fund No. 1, except that it is now doing it in a more businesslike way—contributing such amounts of money as will maintain Fund No. 2 on an actuarial basis.

Mr. ROBB: We believe the contribution made will maintain Fund No. 2 on an actuarial basis.

Sir HENRY DRAYTON: The cost of maintaining that fund on an actuarial basis for thirty years has been \$750,000.

Mr. ROBB: Plus interest.

Sir HENRY DRAYTON: You cannot count that. I do not think it is fair to charge the fund with interest. I treat that just as a payment of \$750,000. The next thing we ought to know is how many members of the Civil Service are covered by that. We know that last year there were 189. Is that a fair average number, or were there less or more before?

Mr. MALCOLM: The number has been gradually decreasing from year to year from retirements. This is since 1898. It is twenty-five years since the method was changed.

Sir HENRY DRAYTON: In the committee we had some figures which showed the contrary, that the number first decreased and then increased. I am quite sure that that must be a clerical error.

Mr. ROBB: I am informed that it was a clerical error in the public accounts.

Sir HENRY DRAYTON: We have no balance in Fund No. 1. We have a balance of \$1,445,000 in Fund No. 2. What is the balance that we have in the third fund?

Mr. ROBB: \$12,027,000.

Sir HENRY DRAYTON: I thought that included the \$1,445,000.

Mr. MALCOLM: No, that is a separate amount.