

Government Annuities Act

chasers and annuitants under the act, and to take care of some difficulties which have developed in the administration of the act.

This is a matter which should be gone into very carefully. I for one would like to know, Mr. Speaker, whether in these amendments provision will be made for greater flexibility. I can understand that it is necessary for the minister to be vague about the administrative difficulties, but in view of the major portion of cost which is borne by the taxpayers it is perhaps well that more specific information should be forthcoming.

Again the minister said that the minimum annuity which may be purchased will be increased from \$10 to \$60 a year. This suggestion was made in the bill which was brought down in 1948, I believe it was, and which subsequently was not proceeded with. I think it is a decided improvement to raise the minimum. After all, \$10 per annum actually is not of much use to anyone, and it brings up the point of the administrative difficulties, the paper work, to use a common expression, that is necessary to sell a contract in the first place, and the subsequent records which have to be kept. When all that is taken into consideration it hardly seems wise to consider pensions of such small amounts. But I wonder whether this new minimum is even high enough.

The minister said later on that cash surrender privileges are proposed. I wonder whether they will include refunds at any higher stage than the \$60 minimum. Is provision to be made for the transfer of credits, if and when an employee changes employment? I believe that an employee should have the option of having his credits transferred to the pension fund of his new employer rather than lose the advantage he had gained by subscribing for an annuity at a younger age than he would be at the present time. I know this is a very serious problem to some people because there is a big difference between the yearly premiums—if we can call them that—that are payable at, say, age 30 and those that are payable at, say, age 40. If a man is bound to one employer by the fear of losing this advantage, then it scarcely seems right that he should be obliged to remain in less desirable employment through fear of not being able to provide for his own retirement. These and many more questions will be the subject of study of all those who are interested in these annuities, from the standpoint of the annuitant and from the standpoint of the employer where group schemes are in force

[Mrs. Fairclough.]

or in prospect, and certainly from the standpoint of the insurance companies who I understand have representations to make in this matter.

It would appear that the only place where all these questions can be properly studied is in a standing or special committee of this house. I recall that on reading *Hansard* for June, 1948, I found that the Minister of Labour, at that time Mr. Mitchell, promised that a committee would be set up to study this matter in the following year. Subsequently the hon. member for Winnipeg North Centre (Mr. Knowles), towards the close of 1949, after the election, asked whether or not it was the intention to set up this committee. He had been told no a couple of times, but finally in December of 1949 he was told that it was the intention to set up the committee the following year.

We have a standing committee on industrial relations in this house, and we have a standing committee on banking and commerce. I wonder if the minister will say whether or not it is his intention to refer this bill to a committee, and if so, to which committee.

Mr. Knowles: The house has made pretty good progress this afternoon. Maybe we can call it 6.15.

At 6.15 p.m. the house took recess.

AFTER RECESS

The house resumed at eight o'clock.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we welcome the introduction of the bill forecast by the resolution now before the house. Each of the changes proposed in the Government Annuities Act is an acceptable and desirable change. Even so, there are a number of questions we will want to ask when we get into one of the committee stages, such as the questions enunciated just before six o'clock by the hon. member for Hamilton West (Mrs. Fairclough).

Having said that there are features about the bill which make it acceptable, I should point out that we regard it as a good move, for those who can afford to purchase higher annuities, that the amount that can be purchased is to be increased from \$100 to \$200 a month. That is only in keeping with the increased cost of living and the decreased value of the Canadian dollar.

It is also to be pointed out that it is a good move to provide for kinds of annuities other than those that have been provided