

payer. In addition, further cost is involved in the provision of literature to promote the sale of government annuities. Due almost entirely to the fact that government annuities include no provision whatever for such costs of administration, the premiums are substantially lower than the premiums which private business is obliged to charge for similar benefits.

In effect, the above situation means that the cost of providing government annuities is borne by taxpayers generally and discriminates as between purchasers of private and government annuities. It also provides unfair competition to private enterprise.

In view of the expressed intention of the government to curtail ordinary federal expenditures, particularly during this period of high taxation, the executive council believes that the government should, more than ever, give consideration to placing government annuities on a self-supporting basis instead of depending upon subsidization by the taxpayer.

The council is of the view that only a small proportion of those for whom the scheme was originally instigated have applied for and purchased government annuities.

Moreover, it is submitted that the new Pensions Act will, to some extent, provide the type of protection originally projected by the Annuities Act and the present would now appear to be an appropriate time for the government to discontinue the solicitation of annuity business at the expense of the taxpayer.

Finally, the enactment of Bill No. 23, which would provide for a doubling of the maximum annuity obtainable, and for other benefits, particularly the provision of cash values, would aggravate the situation outlined above.

Therefore, the executive council of the Canadian Chamber of Commerce urges your Committee to recommend to the Government of Canada that:

1. Bill No. 23, an Act to Amend the Government Annuities Act, be withdrawn;
2. The payment of salaries, commissions and other expenses of agents especially employed for the sale of government annuities be discontinued unless they are placed on a self-supporting basis.

We respectfully submit the above recommendations as we feel that we would be unmindful of our duty as citizens of Canada in not calling to your attention the important effects of the Government Annuities Act on the taxpayer and the implication of the proposed amendments to private enterprise.

Yours very truly,

H. H. LANK,  
*Chairman, Executive Council.*

We also have a communication from the Canadian Fraternal Association and copies of this brief were distributed to the committee. In the last paragraph of the letter accompanying that brief, we are informed as follows:

Mr. Hector Menard, immediate past president of our association and secretary-treasurer of l'Union St. Joseph du Canada, is located in Ottawa and will be present at tomorrow's hearing. If you care to call upon him he will be glad to speak to our submission.

I believe Mr. Menard was here on Friday last, and I understand that he is here again this morning.