

3. Yes. By the Board as a whole. Its conclusion was as follows: "On the whole it may reasonably be concluded that in an area such as Cultus Lake, where a natural run of sockeye occurs with a reasonable expectancy of successful spawning, artificial propagation for purposes of continuing the run to that area is unnecessary, and, if producing any additional results over natural spawning, these would not appear to be in any way commensurate with the cost."

4. Twenty-eight employees will be displaced, of whom eighteen are permanent and ten temporary.

5. Eight are entitled to superannuation and ten to a retiring allowance. The amount each will receive will depend on his length of service when retirement is effected.

6. None.

GOVERNMENT ANNUITIES

APPOINTMENT OF SPECIAL COMMITTEE

Hon. F. B. BLACK moved:

That a special committee be appointed to consider and report upon the operation of the Government Annuities Act, being chapter seven of the Revised Statutes of Canada, and to make recommendations with respect to the desirability of extending or curtailing such operation; with power to send for persons, papers and records.

He said: Honourable senators, I desire to call attention to some pertinent facts which I consider important to Canada and of particular interest to the Senate, which has always taken a great interest in Dominion annuity legislation. The original Annuities Act, passed in 1908, was fathered in this House by Sir Richard Cartwright. It permitted of the issue of annuities up to an amount of \$5,000 each annually. In 1931 legislation was passed reducing the amount to \$1,200. That the Act was a good one for the Government of Canada, and was a wise provision for those people who desired and were able to take advantage of it, is, I think, obvious. While money was costing Canada from $4\frac{1}{2}$ per cent to 6 per cent it was good business for our own citizens to deposit their money with the Government, and for the Government to take care of it for them and give them an annuity or a lump sum later on; but as the value of money went down conditions rapidly changed, and to-day they are entirely different. The result of the activities under this legislation for the first twenty-five years was that small amounts were taken out, at first totalling less than a million a year, but later increasing to \$2,000,000 annually. I do not want to weary the House with figures, but

shall give just a few to show what I have in mind. In 1931-32 there were taken out in annuities \$4,194,000.

Hon. Mr. GRIESBACH: What does the honourable gentleman mean by "taken out in annuities?" Is that the amount of the annuities or the amount of premiums paid in?

Hon. Mr. BLACK: The amount subscribed to.

Hon. Mr. GRIESBACH: Still I am in doubt. Is that the total of premiums?

Hon. Mr. BLACK: No. That is the total amount of the annuities bought in the year.

Hon. Mr. GRIESBACH: The total amount paid in came to what?

Hon. Mr. DANDURAND: These figures are not the amounts paid in.

Hon. Mr. BLACK: The total amount of the annuities bought in 1932-33 was \$3,547,000, and the next year, 1933-34, it increased to \$7,071,000. Honourable members will see that as available investments bringing in a higher rate of interest became less numerous, these annuities grew more popular. Coming to the year 1934-35, that is, the last fiscal year, we find that the total annuities purchased amounted to \$13,376,000. For the first ten months of the present fiscal year there were issued annuities of a total value of \$15,879,000. In the month of February alone, that is, the eleventh month of the present fiscal year, more than \$2,000,000 worth of annuities were sold, and at the present time there are enough applications in to make it clear that by the 31st of March there will have been sold in this fiscal year alone more than \$20,000,000 worth of annuities.

These figures clearly indicate that Government annuities have become a very attractive investment. People are wise to buy them, because, so far as I know, there is nothing that is so safe. But the point has now been reached where the money paid in is costing Canada too much. Originally the annuities were based upon an actuarial table which showed that the money would cost Canada four per cent. But actuarial tables of thirty-odd years ago differ from those used by insurance companies at the present time, and the fact is that this money paid in by purchasers of annuities costs Canada 4.4 per cent in interest alone. In addition there is the overhead expense, which has averaged \$200,000 annually. For the first few years the carrying charges represented a fairly high percentage in comparison with the amount of annuities sold, but now that the sale has reached