

with the amendment made to the Superannuation Bill a couple of years ago, I wish to say a word. I am in favour of the amendment now proposed, and the adoption of the Report, for the reason that since we made that amendment a couple of years ago I have found out two things: first, that it was not the intention of the Finance Department to charge 4 per cent interest, and that had not been taken into calculation when the actuarial estimate was made; and, second, that in many cases civil servants who for years made payments under the Superannuation Act withdrew or dropped what they paid in, without getting any interest on their money for the time it was in the hands of the State. If that be so, and the Government intended not to charge this 4 per cent interest, it cannot be said that the adoption of this proposal is increasing taxation. Furthermore, I have talked with a number of civil servants, some of whom are heads of departments, or of important branches, and they have assured me that there are many old and faithful civil servants who are unable to take advantage of the Superannuation Act because they are required to pay the double penalty of this 4 per cent over a long term of years. I have been assured by some civil servants that there would be no objection on the part of the others to this concession. I feel that there is no question as to the power of this House to deal with the subject now before us, because it is not increasing taxation and is not increasing the cost over and above what the Government itself proposed when the Bill was introduced into this House two years ago. This is simply correcting what I now think was a mistake made in this House two years ago when we amended the Act.

Hon. Mr. BEIQUE: I desire to know, first, whether this Bill when introduced into the House of Commons was authorized by message of the Governor General, and second, whether the moneys that have been paid in by way of interest form part of the Consolidated Revenue, or whether they were kept separate.

Hon. Mr. BELCOURT: As to the first question, I do not know. I assume, however, that a Bill of this kind was not submitted to the Commons without the usual authority of a resolution passed by the Commons. As to the second question, I do not know how the books have been kept, or whether the interest has been kept separate from the principal or not. In any event, I do not think it would be very difficult to segregate the interest from

the principal. I should think we could easily ascertain what was paid in as principal and what was paid in as interest. In fact, that will have to be done in order to give credit.

Hon. Mr. BEIQUE: If it forms part of the Consolidated Repenue, I do not think that this House would be competent to take the money out, except under a Bill authorized by the Governor in Council.

Hon. Mr. McLENNAN: My recollection of what happened at the meeting of the Committee the other afternoon is this. Mr. Finlayson told us that there had been paid in on account of the 4 per cent, something over half a million dollars, which would have to be returned to the people who paid it; and that to that extent the amount in the fund would be reduced, and would have to be made up from the public treasury.

Hon. Mr. BELCOURT: I have before me an extract from the Public Accounts of 1925-26, which reads as follows:

Statement of Superannuation Fund No. 5, for year ended 31st March, 1926.

I would take that as an evidence of earmarking. Evidently this money is in a special fund.

Hon. Mr. LAIRD: That is not what Mr. Finlayson said.

Hon. Mr. DANDURAND: Honourable gentlemen, I have in my hands a statement from the accountant of the Department, Mr. Macfarlane, which reads as follows:

There are 5,434 contributors who are paying with respect to past non-contributory service. In all these cases interest is included in the payments. In ascertaining the monthly instalments payable with respect to past non-contributory service the principal of the deficiency and interest thereon are lumped together. It is therefore impossible, without performing a mathematical calculation in each individual case, to arrive with accuracy at the amount paid in respect of interest to date. The amount probably will be somewhere in the neighbourhood of \$550,000.

This is the amount which has been spoken of, and which is covered by the amendment before us, which directs the reimbursement of those who have come in and paid interest, in order to establish an equilibrium between them and others who are yet to come in, and who will not have to pay interest. Now, my honourable friend from Ottawa says that the amount will go to a special fund.

Hon. Mr. BELCOURT: I assume that.

Hon. Mr. DANDURAND: I may say that in the Committee Mr. Finlayson was simply asked one or two questions, which he