

Alberni a moment ago? I was quite sure my hon. friend was in error there. I do ask that this point be made absolutely clear because there is a marked difference of opinion between the interpretation of my hon. friend and myself, both of us laymen, and consequently giving a common sense interpretation. I would like now to have the assistance of a legal adviser to make the intention abundantly clear. The point my hon. friend takes is that it is purely optional with the applicant whether he transfers his dwelling to the pension authorities or not, leaving the inference—I think he believes this—that the applicant will not suffer a deduction from his pension if he does not transfer. My interpretation is that if he fails to transfer to the pension authorities a deduction will be made from his pension.

Mr. CARDIN: That is right.

Mr. STEVENS: Then I am afraid my hon. friend is not correct in his statement.

Mr. NEILL: My hon. friend has not interpreted my remarks correctly. I was saying that it is absolutely optional. The words used must indicate that. The pension board may accept, but before they accept somebody has to make the offer.

Mr. McQUARRIE: Why should any person offer a dwelling house to the pension board?

Mr. NEILL: For some advantage to be gained.

Mr. McQUARRIE: What is the advantage to be gained?

Mr. NEILL: If he does not wish to transfer to the government he does not have to. If he does not transfer to the government, the rental value of the house will be deducted from his pension if it is worth more than \$125 a year, but if only worth \$10 a month he will suffer no deduction, and will be able to continue to live in the house. Where the house is of a greater value, for instance, a white elephant, worth \$30 a month, of course the case is different. He does not want to live in such a house. Therefore he says to the board, "Will you take a transfer of this property from me?" Later, when the government sell the house, they recoup themselves not to the full amount of the man's pension but only for that portion in excess of what he would have received if he had not transferred the house.

Mr. McQUARRIE: That would necessarily be much more than the pension, would it not, according to your statement of fact—\$30 a month for the house?

Mr. NEILL: He does not have to transfer, but if he does not transfer the rent of the cottage will be charged against him, if over \$125 a year.

Mr. STEVENS: Deducted from his pension?

Mr. NEILL: Yes. But in the other case he does not require to have any deduction and he gets his full pension.

Mr. McQUARRIE: I do not wish to continue the legal argument with the Solicitor General and the Minister of Public Works, because I do not think we can ever agree. A feature in section 2 I desire to call attention to, is the provision for the payment of interest at the rate of five per cent per annum compounded annually. I do not see why we should charge this rate of interest, or in any event why we should charge compound interest.

Mr. HEAPS: This is one of the clauses to which I took objection last year, but I have no desire to prolong the discussion on the bill, as no doubt the clauses will go through as they are framed at the present time. However I have had a little experience in the city from which I come of a similar clause of an act in which they provided social relief, and I found that it worked out unsatisfactorily. In addition to that, as far as the pensioners are concerned there will be opportunity for evading this particular provision of the bill. If a pensioner at the age of sixty-eight or sixty-nine, who is about to receive a pension, has a certain amount of real estate, he may either transfer that property or sell it and retain the proceeds, in which case the government will not be entitled to take anything out of the proceeds of that property.

Mr. NEILL: He cannot do it.

Mr. HEAPS: There are always ways and means of overcoming these provisions. There are many lawyers in this House who could devise means of overcoming the provisions of the bill.

Mr. McQUARRIE: Winnipeg lawyers.

Mr. HEAPS. And New Westminster lawyers as well. The act works out very unsatisfactorily in Winnipeg. I hate to think the authorities could go to a person who is about to receive a pension, and say, "You own a piece of property, and you will have to sign the agreement or we will put a lien against your property." That would take away a good deal of the benefit to be derived by the recipient of the pension. Personally I would far rather see the bill go through