

other system introduced in its place which will bear less heavily on the revenues of the country, this proposal would not have been brought to the attention of the House. The abatement under the present Act is very small. Years ago it was made fairly large, and if it had been kept at that figure and the fund had been well administered the burden would have been comparatively light; but when it was made 2 and 1½ per cent it immediately took from the system all fair basis of support. So it has been burdensome, and is burdensome at the present time. However, that is the system which has grown up. Under it the Civil Service has come in and contributed to the fund, and expects to partake of its benefits, and to that extent an understanding in the nature of a contract exists between the present Civil Service and the Government. They pay their abatements and they expect the advantages which come from the fund. This proposes to break off at the time of the passage of the Act, and divide the old superannuation system entirely from the system established by this Bill. The fund that will be raised under this system will be kept and administered by itself. The first proposal is to make the abatements much larger. As the hon. gentleman will see, it is for the larger salaries 3½ per cent, and for the lower 3 per cent per annum. It is proposed that the Government's contribution to the fund shall be interest at the rate of 6 per cent upon the moneys in the fund. That is the sole contribution the Government makes and the system is based upon calculations on healthy male mortality tables and at the rate of 6 per cent. The amount of the fund will depend on the number of civil servants contributing; but whether the amount is larger or smaller, on that basis it pays its own way and is of no further burden to the Government. I cannot, therefore, answer definitely the question asked by the hon. gentleman as to what I consider will be the amount of the fund. That depends entirely, as I have said, on the number of civil servants who come in from this on. The service at the present time is fairly well supplied with employees. Hon. gentlemen opposite may think it is too well supplied, and, of course, there may be a difference of opinion on that subject. However, I call the attention of the House to the fact that civil service additions hereafter will chiefly be to make up vacancies which may occur from deaths or resignations. So that the same number of contributors and the same fund will not be possible under this new arrangement as when, for instance, we were commencing the superannuation system and took in the large number of servants who were at that time in the employment of the Government. The contribution of the Government, of course, begins at the minimum and increases in accordance with the number who enter the service, and the amount of money which accrues to the fund from their contributions. It is difficult to say either the amount or the number,

from the causes I have mentioned; but this point is certain, the system is self-sustaining on the 6 per cent basis. The contribution of the Government, then, is the amount of percentage between what the money is fairly worth to us, what we give for it in the savings bank and 6 per cent which we will pay on the moneys which are in the fund. It will commence at the minimum and gradually go up. If at any time under this arrangement Parliament comes to the conclusion that it will have no longer a superannuation system, the fund is able to sustain itself and carry those who have contributed to it. So that there will not hereafter be the argument, which there is now, that we have entered into contract with the civil service. If, say twenty years hence, Parliament comes to the conclusion that it will not longer have superannuation, there will be no argument against adopting that course drawn from the idea of a contract, and if we sweep away superannuation we will violate no agreement under which civil servants have paid in their money. We may at any time stop the system, and the basis on which this calculation has been computed will be sufficient, just as is the case in an insurance society, to carry those who at the time belonged to that system and contributed to the fund to the end.

Sir RICHARD CARTWRIGHT. Then, if I understand the measure aright, it will not apply to any civil servant now in the service of the Government?

Mr. FOSTER. To none.

Sir RICHARD CARTWRIGHT. So, practically speaking, it is rather in the far future when it will become an effective measure of relief. The hon. gentleman only proposed to apply this system to men appointed from and after the passage of this Act. We will leave that for future consideration. The point which strikes me about this Bill is that, if it is also, as I understand it, purely voluntary—

Mr. FOSTER. No, it is compulsory.

Sir RICHARD CARTWRIGHT. Then if it is compulsory, the hon. gentleman should be able to form a good idea of what it will come to in the long run.

Mr. FOSTER. We could, if we knew the number that would come in.

Sir RICHARD CARTWRIGHT. You, no doubt, know pretty well. The hon. gentleman will, perhaps, give the committee a rough idea as to what is the total amount of the salaries of those civil servants who are at present time entitled to the benefits of the Superannuation Act. I take it that the number includes all the civil servants at Ottawa and a very considerable number of the outside service.

Mr. FOSTER. I am having that statement made up, and will be prepared to submit it when the Bill is before the House.