

He was in charge of this Bill. The Minister of Trade and Commerce had charge of the Bill during the present Session.

May I now give the information which was furnished to me by a high official in the Finance Department who has made a special study of this question? This memorandum was handed to me so that I might read it to the House in order to give the information it contains:

According to Public Accounts 1925-26, there was a balance in the Fund, March 31st, 1926, of \$10,833,272.15.

When the benefits were arranged in the provisions of the Act of 1924, it was considered that the cost would be fifty-fifty; the Service contributing half and the Government half.

To the end of March 1926, the Service with approximately 14,000 contributors, had paid in to the fund, \$10,230,927.33. Interest at 4 per cent, amounting to \$315,157.47 had been added. The Government had contributed \$282,996.58.

As the number of contributors has increased during the past year to approximately 18,000, the fund has increased accordingly and at the 1st of January, 1927, amounted to \$12,811,446.

It is pointed out that the interest alone on the balance to the credit of the Fund each year is an appreciable amount interest at four per cent on thirteen millions being more than half a million dollars, and this would more than equalize the refund requested, which was stated before the Banking and Commerce Committee by the Superintendent of Insurance, to be approximately half a million.

I draw special attention to those words I have just read.

It is estimated that whereas the present number of contributors is some 18,000, if the amendment carries it is expected that this number will be increased to 25,000. It is further estimated that the total salary of the 25,000 contributors will approximate \$40,000,000. Five per cent of this amount would be \$2,000,000 a year, i.e., the current contribution from the Service. This added to the interest brings the total annual increment from the Service, on the most conservative estimate, to two and a half million dollars.

If the Government contributes an amount equal to the five per cent contribution from the Service, quite irrespective of the four per cent interest on arrears, the annual income of the Fund must be estimated at approximately four and a half million dollars.

If ten per cent of the contributors which is a high estimate—each year enjoy the benefits of Superannuation either as retiring allowances, withdrawal allowances, or dependents' allowances, at an average of \$1,000 a year—also a high estimate—this would total only two and a half millions, which would appear to assure the solvency of the fund, inasmuch as the minimum revenue of the fund is estimated at four and a half million.

Information cannot easily be obtained as to the actuarial basis of the scheme, but when the Act was framed the Superintendent of Insurance did not provide for four per cent interest on arrears of contributions, and assuming his computations to be approximately right, it follows that the removal of this interest will not involve further outlay by the Government on the fifty-fifty basis as originally contemplated.

Right Hon. Sir GEORGE E. FOSTER: Who is the writer of that?

Hon. Mr. BELCOURT: Well, I only have initials.

Right Hon. Sir GEORGE E. FOSTER: It comes from a Department?

Hon. Mr. BELCOURT: Yes. I have no authority to mention the name.

Hon. Mr. DANDURAND: It is not Mr. Finlayson?

Hon. Mr. BELCOURT: No, it is not Mr. Finlayson.

Right Hon. Sir GEORGE E. FOSTER: Not the Insurance Department?

Hon. Mr. BELCOURT: I do not know whether it is Insurance or Finance; it is from one of those Departments, but I cannot tell which.

I do not think I need labour this any further. I think one thing is quite clear from these figures, that the Government at no time intended that there should be any interest insisted upon from those who were in arrears. It has also been established that in many instances this question of interest has prevented men from coming under the Act. The figures given to me showed that between 7,000 and 8,000 people, on account of the large amount they would have to pay by way of interest, were prevented from taking advantage of the Act. The honourable gentlemen of the Committee will remember that I gave a very typical case of an employee in the Department of Indian Affairs, Mr. Emile Jean, who would have had to pay by way of interest a sum larger than the total of his arrears—some \$1,155.74 of interest, while his arrears amounted to \$1,101.78, I think. In this way the amendment has unquestionably prevented thousands of civil servants from having the benefit of the Superannuation Act. There is a double disadvantage to that; it is a disadvantage to the fund itself, inasmuch as the larger the number of contributors the more readily will the half to be provided by the civil servants be raised.

I think that in the interest of the civil servants themselves, and also the proper operation of the Act and its success, we should strike out the provision requiring the payment of 4 per cent interest, which was inserted in this House under misapprehension of the facts and the results to be attained. I think we ought to surrender ourselves to the evidence, and do what apparently is the proper thing under these circumstances, and in that way be completely in accord with the other House.