

Hon. Mr. BOWELL—No, he would have to pay additional for life insurance, only at a much lower rate than ordinary insurance.

The motion was agreed to and the House resolved itself into a Committee of the Whole.

(In the Committee.)

On the second clause,

Hon. Mr. POWER—If the civil servant is over 45 at the time of his appointment, he does not get the advantage of the old system of superannuation?

Hon. Mr. BOWELL—No, nor does he contribute anything to the superannuation fund. He gets his full salary.

The clause was adopted.

On clause five,

Hon. Mr. SCOTT—Will this affect the civil servant who is superannuated immediately after this Bill passes?—How does it affect him?

Hon. Mr. BOWELL—Not at all.

Hon. Mr. SCOTT—Section 4 seems to be predicated on the assumption that the moment this Bill is passed and the moment the country adds 2 per cent, then there is a sufficient fund to meet the superannuation without drawing upon the general fund of the country.

Hon. Mr. BOWELL—"The superannuation allowance to which all persons whom this Act is applicable to becomes entitled, etc." Now, this Bill only adds to the Superannuation Act as it is now upon the Statute-book. It is really adding another clause, providing for a higher rate of abatement annually from the salaries of those who come into the service after the passing of the Act, and does not affect what might be termed the Superannuation Fund No. 1. Any one now in the service, if superannuated, will receive 2 per cent annually upon his salary, as he does now—that is, if a man receives \$1,000 a year and has paid in thirty-five years to the superannuation fund, he is entitled to 70 per cent of his salary. If he has paid in twenty years, he would be entitled to 40 per cent of his salary—2 per cent for each year. If a civil servant should be superannuated after the

passing of this Bill, it does not affect him in the least.

Hon. Mr. MACINNES (Burlington)—Where is the fund from which the premiums are to be paid under the Insurance Act? Out of this fund?

Hon. Mr. BOWELL—No, that is out of another fund altogether. I have a table showing the rates of the ordinary insurance companies, and what we propose for the civil service is to give them a better and cheaper rate for insuring their lives for the benefit of their families in case of death. The reason why we can give them a cheaper insurance is that the whole of the work can be done by the Finance Department; there will not be those expenses that are incurred by regular companies in the way of rent, agents, officers, etc.

The clause was adopted.

On the fifth clause,

Hon. Mr. POWER—That is a very desirable provision, and I hope that the expectations of the leader of the Government with respect to this fund may be realized. The hon. gentleman stated that the Finance Department were of opinion that at the expiration of twenty-five years from this date the superannuation fund would be found self-sustaining. That would be a very desirable condition of things, but I wish to make this observation, that unless the Government pursue a totally different course from that which they have pursued in the past with respect to superannuation, this fund will never become self-sustaining. Year after year men who were in the full possession of all their faculties, and as well able to work as ever they were, have been superannuated at high figures in order, in some cases, to make room for gentlemen who were looked upon more favourably by the powers that be. That is the general rule, but by this time I should suppose that nearly all the Liberal employees who were in any way obnoxious have been removed, and there will not be the same temptation to superannuate in the future that there has been in the past.

Hon. Mr. DEVER—I know one gentleman who was superannuated in 1873 who