

Supply—Finance

the scheme would be dropped. I was wondering whether it had been dropped or whether there are funds available here for it.

Mr. Harris: There is a statutory item making provision for the money. The scheme was not dropped. I made a public announcement when it went into effect. Those covered by the act had until November 1 to opt out. After that date, and after studying the figures of those who had requested not to be covered by the act, we proclaimed it and it has been in operation ever since. I cannot give the exact figure, but I think about 18,000 non-military civil servants elected not to be covered by the act. However, it does apply now to all persons who joined the civil service since that time.

Mr. Pearkes: And I understand that the armed services are also included in the act. Can the minister give the committee any information as to how they stand?

Mr. Harris: There was a smaller percentage in the armed services who elected not to be covered, but I am not sure of the number. However, I do know that it was a smaller percentage than among civilians.

Mr. Pearkes: And those joining the armed forces now have to accept this condition?

Mr. Harris: Yes.

Mr. Pearkes: Is there any money available to establish that insurance fund?

Mr. Harris: A statutory item appears at the bottom of page 23, which deals with the government contribution to the public service death benefit account under part II.

Mr. Charlton: I understood the minister to say to the hon. member for Vancouver East that the government was carrying no insurance plan at all. I recall the situation mentioned by the hon. member who has just spoken, and I thought that was insurance.

Mr. Harris: This is a group policy scheme. The hon. member is referring to individual insurance.

Mr. Charlton: But it is still insurance.

Mr. Harris: Yes.

Mr. Charlton: You said there was no insurance carried.

Mr. Harris: No; I said the scheme referred to by the hon. member had been discontinued, and we are no longer writing individual insurance.

Mr. Regier: Mr. Chairman, in a discussion of the estimate having to do with the administration of the superannuation and retirement acts, could the minister inform the

[Mr. Pearkes.]

house whether in the course of his administration any efforts are being devoted to research in connection with a problem raised often by the hon. member for Winnipeg South as well as the hon. member for Winnipeg North Centre.

When a man pays into a superannuation fund plan for a long number of years he is assured of a certain income upon reaching a certain age. This man is making the sacrifice as he goes along, and his sacrifice is tuned to a certain standard of living which will be assured to him when he reaches the age of retirement. I know there are many people in Canada who make great sacrifices over a long number of years to ensure themselves \$60, \$70 or perhaps \$80 a month upon reaching the age of, let us say, 65. However, upon reaching that age they find that in actual standard of living value the thing for which they had been sacrificing so much over all the years has depreciated in value. They find that the purchasing power of their money has been greatly reduced because of the deliberate policy of ministers of finance in the government of Canada, and they have a feeling that somehow or another they have been let down. In a growing nation and an expanding economy I can fully understand why it is in the interests of the nation gradually, over a period of years, to devalue its currency. Thereby our public debt and carrying charges become much less, and any minister of finance who has heavy public indebtedness on which he has to meet interest rates likes to see a slight inflationary spiral. This inflation helps to ease the load. It lightens the load on anyone who owes money.

Recently the people of Canada went through a period of inflation, and those who owed money did not mind that condition very much. However, it does hit at those who have been making sacrifices for many years to look after themselves in their old age, through superannuation and other plans. I wonder whether the minister's department has been paying any attention to the representations that have been made, particularly those of the hon. member for Winnipeg South, and if so, can we have a report? Is there any way at all in which a superannuation plan operated by the government might be evolved so it would automatically look after inflation and deflation?

Mr. Harris: Mr. Chairman, if I were able to do that I think I would be the most renowned minister of finance in the world.

Mr. Regier: Oh, Mr. Chairman, the minister has not told me whether any attention has been paid to this matter. We have a sum of money set aside here for administration. I would point out to the minister that he and