able to say only 18 months hence what would be the situation as to the loss upon the transaction.

I move that this Bill be put down for third reading at the next sitting of the House.

The motion was agreed to.

The Senate adjourned until to-morrow at 11 a.m.

THE SENATE

Thursday, April 14, 1927.

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

PRIVATE BILLS

THIRD READINGS

Bill 154, an Act to incorporate North American Relations Foundation.—Rt. Hon. Sir Geo. E. Foster.

Bill 116, an Act to incorporate "La congrégation de Saint-Dominique du Tiers-Ordre enseignant."—Hon. Mr. Bureau.

Bill 238, an Act respecting the Subsidiary High Court of the Ancient Order of Foresters in the Dominion of Canada.—Hon. Mr. Smith.

CIVIL SERVICE SUPERANNUATION BILL

THIRD READING

Hon. Mr. DANDURAND moved the third reading of Bill 231, an Act to amend the Civil Service Superannuation Act, 1924.

He said: Honourable gentlemen, I bring to the Senate information which we had in 1924, when the Superannuation Act was passed, but which, I think, has since escaped our memory. We sometimes hear representations that gradually grow in our minds until we believe that an injustice has been or is being done to a certain class of people. When such claims reach us we are responsive to them and are actuated by a desire to right the injustice. In order that honourable gentlemen of the Senate may understand the provisions of the Superannuation Act, I desire, before moving the third reading of the Bill, to read a statement which I think will clarify the situation and show that not only has no injustice been done, but we have even gone a certain distance towards paternalism. We did that with our eyes open, and I do not regret it. I think that when honourable gentlemen have heard this statement they will realize that there is no cause for grievance in what Parliament has done in connection with the Superannuation Act.

This memorandum has been addressed by Mr. Finlayson to the Minister of Finance since the discussion of yesterday afternoon:

The amendment made to this Bill by the Banking and Commerce Committee of the Senate with reference to the four per cent interest included in contributions for past service has been declared by the Honourable the Speaker of that Chamber to be out of order, and the question has been raised as to what the effect will be if the Bill passes without that amendment.

The Civil Service Superannuation Act, 1924, was designed primarily for persons appointed to permanent positions in the Service after that date. Such persons are required to contribute 5 per cent of their salaries and their maximum allowance is reached after 35 years' service, 2 per cent per year, or 70 per cent in all, of the average final salary being allowed. Widows' allowances equal to one-half the contributors' allowances are also provided for.

At the same time, provision was made for persons already in the Service transferring to the new fund. These persons were those,

(a) Subject to the Retirement Act, under which the rate of contribution was 5 per cent; or

(b) Contributing, or having contributed to Superannuation Funds Nos. 1 or 2, the rate of contribution being 2 per cent or 3½ per cent; or

(c) Contributing to no fund. This class includes the so-called "permanent temporaries."

Honourable gentlemen who are familiar with the traditions of the various departments know that some departments, for instance, the Department of Public Works, are practically manned by "permanent temporaries."

The Act provides that persons in class (a) may transfer with right to full scale allowances.

Persons in this class have paid the 5 per cent.

Persons in class (b) may transfer with right to full scale allowances for themselves, but the widows' allowance is on half scale, unless the difference between the 2 per cent or 3½ per cent and the 5 per cent in respect of past service is made good with interest at 4 per cent simple interest.

Persons in class (c)—

That is to say, persons who have contributed to no fund whatsoever—

—may transfer, but all allowances are on half scale unless the 5 per cent in respect of past service is made good with 4 per cent simple interest.

It will be seen from the foregoing that persons in all the above classes are permitted to transfer to the new scheme whether contributions are made for past service or not. Future service will in such case count in full, but past service will count as above indicated unless contributions therefor are made at the rate of 5 per cent.

For example, a person in class (c) who transfers without contributing anything for past service, will rank on retirement for an allowance of 1 per cent for each year of service.