

Mr. McILRAITH: Coming back to these two figures, is it the government's intention to contribute directly towards this deficit now?

Mr. FLEMING: I would have to say that that would be a matter of government policy.

Mr. McILRAITH: Yes. Now then, I want to get one further matter clear. I take it it is not expected that the increase in rates being charged to civil servants and the corresponding contribution from the government will reduce in any way the deficit about which you are speaking.

Mr. FLEMING: That is my understanding.

Mr. CARON: The present rates will cover the whole deficit.

Mr. McILRAITH: No.

Mr. FLEMING: No. If you look in the report at page 24, paragraph 2, you will notice it reads:

The average contribution rate estimated to be required to pay for the benefits provided under the act is 12.4 per cent of salary for male contributors and 9.7 per cent of salary for female contributors.

So you will see the male contributions, which amounted to 12 per cent, were falling slightly short of meeting the cost of the benefits provided for males. In the case of females you had a 10 per cent contribution, whereas only 9.7 per cent was required to pay benefits.

Under this bill we are dealing with increases in benefits. As nearly as can be estimated—and, of course, it must be a matter of estimate—the 13 per cent of salary which will be the contribution in respect of male contributors will approximately balance the benefits to male contributors. The 10 per cent, which will continue unchanged to be contributed in respect of salary for female contributors, will approximately balance the cost of the benefits and the increase under this bill in respect of females qualifying under the bill.

Mr. RICHARD (*Ottawa East*): Mr. Minister, I think some people would be anxious to have a fixed date in their mind as to when the act would come into force. For example, this committee might sit for some time, it might take some more time to pass it through the house, and the proclamation might be delayed. Would it not be proper in the case of this type of bill to have the date, say, of introduction of the bill as the effective date?

Mr. FLEMING (*Eglinton*): I think that would be a quite unusual provision in a bill. It is not like a taxing act as applied to commodities—such as the Excise Tax Act or the Customs Tariff Act—where the increased levy in respect of a commodity is made effective from the date of introduction of the bill or resolution, which is usually budget night.

It would be quite unusual—I will not say “unique,”—but it would be unusual to provide in a measure of this kind that the bill should become effective as from the date of its introduction in the house.

As I have indicated, it does not meet the problem. Under the act, the problem of those who are going to fall just inside and those falling just outside, is inescapable, no matter what date you choose. If you move the date back a little you are going to take in a few more people. We had no thought of making contributions retroactive. Therefore, if you are going to preserve, in broad essentials, the contributory feature, which does distinguish the present Public Service Superannuation Act and its predecessors, then the benefits must be made reasonably co-terminous or coincident with the increased contributions. Here the measure will come into effect in the usual way, as happens with nearly all our legislation, on the date of receiving royal assent.

The increase in the contributions will be brought into effect, naturally, as soon after that date as possible. Of course, it involves—as no one will appreciate better than Mr. Richard, Mr. Chairman—the promulgation of certain