

would have contributed one-half of the cost of providing for that increase in the superannuation benefit. Therefore, we provided a maximum increase in the superannuation benefit of approximately one-third; and this was graduated by quarter years down to 1953.

I may say that that system was carried into the Public Service Pension Adjustment Act one year later, in the 1959 session. It received the unanimous support of the house on both occasions. It is now statute law; and I think it not unfair to say that it has worked very satisfactorily. Perhaps it is unusual to receive many letters of commendation; but I can tell the committee, Mr. Chairman, that we have received many letters of commendation from retired civil servants who received benefits under that measure.

In case anyone is asking, "Well, what about the cost of living since?"; the fact is that we have enjoyed a period of relative stability in the cost of living since this legislation came into effect on the statutory basis a year ago. The cost of living has risen, by just a fraction over one per cent; so I think it may be fair to say that the benefits conferred by that legislation in the item in the estimates of 1958 and under statute commencing in 1959 have been enjoyed without impairment.

So now we have a new measure which will not apply to those members of the public service who have retired prior to the date on which this measure comes into effect. Those who will qualify under this measure are those who will be in the public service as of the date it comes into effect and, of course, the increased charge for the benefits will be applied as soon after the bill comes into effect as it is possible to make the regulations and to have the required machinery set up.

These, Mr. Chairman, are the basic elements in the bill. They are certainly the most striking elements in the bill—the increase in benefits and the corresponding increase in the payments shared jointly by the government and the individual male member of the public service, to meet the cost.

As well there are a number of individual amendments in the bill. In many cases these are individual amendments, each of which has a particular reason for it, arising out of problems which have been encountered in the course of administration of the legislation. On these questions Mr. Taylor and Mr. Hart Clark will be here to answer questions and to deal with any matters which may arise. I may say as well that with us is Mr. E. E. Clarke the Chief Actuary from the Department of Insurance who will be available in relation to any questions which may arise out of the reports on the actuarial examinations of the various accounts under the act.

As you know the Minister of Finance has two departments, finance and insurance. I may say that the insurance department operates with a minimum of difficulty. I only wish sometimes that the Department of Finance gave me as little difficulty as the department of insurance.

Thank you very much.

The CHAIRMAN: Thank you very much, Mr. Fleming.

Are there any questions anyone would like to ask the minister now?

Mr. McILRAITH: Perhaps I might clear up a question I raised on second reading about the deficit. Turning to page 24 of the report on actuarial examination of the superannuation account in the consolidated revenue fund as at December 31, 1957, the subject is dealt with there under the heading Summary and Recommendations. It says:

The estimated deficit in the superannuation account as at December 31, 1957, was \$137.7 million. It is recommended that this deficit, together with the "unamortized portion of actuarial deficiency in the Superannuation Account," amounting to \$139 million, be liquidated as soon as may reasonably be possible.