

There has been, throughout the various branches of the public service—using that expression in its widest sense—quite a hodge podge of bases in terms of calculation of the selected period of years. This provision now, by taking these best six years instead of the previous 10, does represent a substantial increase in the benefits.

The increase in contribution, it is estimated, will simply meet the cost of the benefits as now proposed. On second reading, Mr. McIlraith asked me if there was any provision here for doing anything more than that; whether there might not be anything left over from these increased contributions, after meeting the increased benefits, to apply on account of the deficit in the fund. The answer was no. It is estimated that the increased contributions will, as nearly as one can estimate, with the best available actuarial advice, approximately equal the cost of the benefits. That is the purpose, and that is the only purpose that has led to the proposed increase of one-half of 1 per cent in the contribution by male persons in the public service.

There is one other question that has arisen, upon which I might usefully say a brief word. Naturally, with the increase in benefits, it is a matter of disappointment to those who do not qualify under the bill by reason of earlier retirement that they will not receive the benefit of the increased benefits. Mr. Chairman, one can sympathize with cases of that kind; but one must accept the fact that it is inevitable. Whenever this bill takes effect, whether it is on the date of the royal assent, or some special date that might be chosen, either in the future or in the past—whatever date is chosen, there will be some persons who will fall just outside the scope of the bill: there will be some who will come just inside it. That, Mr. Chairman, is inevitable.

It must be remembered, in approaching this question, that this is a contributory scheme. The scheme has contemplated equal contributions on the part of the government and the public service, and those who have retired prior to the coming into effect of the new measure, with the increased benefits it provides, at least have not been called upon to pay contributions at the increased rate provided by this present bill. But it is a situation which we considered very carefully, and regretfully came to the conclusion that there is really nothing we can do about it, because if you were to date this measure back, and in that way depart from the contributory principle to that extent—then you would still find some people just outside the scope of the benefit of the bill, no matter what date you chose.

You will remember what we did, two years ago—and it was difficult. Those who have studied this question, I think, will be the first to admit the difficulty with which we were confronted; it was something that had engaged the attention of my predecessors and had baffled a good many good intentions, because of the complexity of the whole question. It concerned a great variety of classes of public servants, according to the rules applicable to them with respect to the period of years which was the base for calculating superannuation benefits.

We had the situation, too, where those whom we were considering—namely, the superannuated public servants—had retired over a period of years. Some of them had not had the benefit of the post-war increases in salaries. You will remember that the scheme that was introduced by an item in the estimates in the 1958 session contemplated that with respect to certain persons who had retired prior to 1953 we could apply a sliding scale of increases in their superannuation benefit.

It was calculated that over the period in question the cost of living had increased by approximately—the figure we took was two-thirds, and we estimated that had the contributory principle been applied, the civil servant