

employee. Previously this was subject to designation by the Treasury Board, and while the period has gradually been lowered and currently has been two years after becoming an employee, before these employees were designated, the designation has not been automatic. It is on the recommendations both of the advisory committee on this act and the Treasury Board prevailing rate advisory committee that this provision for coverage after six months has been proposed.

Mr. CHATTERTON: What percentage of the prevailing rate and seasonal employees have been designated in relation to those who have not been?

Mr. CLARK: Dr. Davidson says there are 40,000 altogether. I understand this would bring in 10,000. If we leave out those still in there for six months or for broken periods, I am not sure how many there would be.

Dr. DAVIDSON: I would say that more than half of the prevailing rate are covered, and that this will cover the additional number Mr. Clark spoke of.

Mr. CHATTERTON: I am not sure about this, but do I understand that those which have not been designated have been contributing at a lesser rate.

Mr. CLARK: At the same rate to the retirement fund.

The Co-CHAIRMAN (*Mr. Richard*): Any other questions?

Mr. BELL (*Carleton*): Can we now go on to the Canadian Forces?

Mr. McCLEAVE: Mr. Chairman, I was wondering if the provincial acts relating to this are simply on the reciprocal basis, that is, that they will enter into arrangements with other provinces with similar legislation.

Mr. CLARK: They permit transfer arrangements or the deferred annuity, but they do require one or the other in the case of a person over 45 years of age to which I referred.

The Co-CHAIRMAN (*Mr. Richard*): Shall we go on with the amendments, Mr. Clark, with respect to the members of the Canadian Forces?

Mr. CHATTERTON: Mr. Chairman, this morning I asked if examples could be prepared and I did not receive a reply in the affirmative.

The Co-CHAIRMAN (*Mr. Richard*): Some examples have been prepared of the Public Service Superannuation Act, I understand.

Mr. CLARK: The illustrative examples of this morning relate to the Public Service Superannuation Act. You will see that examples are not really too relevant in the case of the Canadian Forces Superannuation Act, when you hear the description from National Defence.

Dr. DAVIDSON: The significance of Mr. Clark's remarks will become apparent later.

The Co-CHAIRMAN (*Mr. Richard*): We now have Brigadier Lawson and Group Captain McLearn of the Department of National Defence.

Brigadier W. J. Lawson, Judge Advocate General, Department of National Defence: I have very little to add. The purpose of the bill is the same purpose in respect to the Canadian Forces Superannuation Act as it is in respect to the Public Service Superannuation Act, that is, to integrate it with the Canada Pension Plan, along much the same lines.