

93, or whatever it was, in the present Bank Act. To the best of my knowledge we would plan to include a provision like this in the bill to revise the Bank Act.

The CHAIRMAN: All right. We will proceed. Paragraph 63 on the same page.

63. *Special Government contributions to superannuation accounts.* Reference was made in paragraph 50 of last year's Report to the deficiency in the Public Service Superannuation Account which resulted when no special credits were made to the Account in respect of salary increases granted to civil service classes in four consecutive years as the result of cyclical salary reviews, although subsection (2) of section 32 of the Public Service Superannuation Act, 1952-53, c.47, then read:

There shall be credited to the Superannuation Account, as soon as possible following the authorization of any salary increase of general application to the Public Service, such amount as, in the opinion of the Minister, is necessary to provide for the increase in the cost to Her Majesty in right of Canada of the benefits payable under this Act, as a result of such salary increase.

We were informed that the reason no such special credits were made to the Account as required by section 32 was that the salary increases granted to the four categories into which the service had been divided for salary review purposes were not regarded as increases "of general application" for the purposes of the statute.

On March 6, 1964 the Minister of Finance informed the House of Commons of a general policy for dealing with the deficiencies in the various superannuation accounts. It was proposed to write off deficiencies existing prior to the commencement of the 1963-64 fiscal year to net debt and to amortize subsequent deficiencies arising from salary increases, over a five-year period commencing in the year in which the increases are authorized. In accordance with this policy, and pursuant to department of Finance Vote 68e of the final Supplementary Estimates for 1963-64, recorded deficiencies of \$524,849,000 in the Canadian Forces Superannuation Account and \$6,333,000 in the Royal Canadian Mounted Police Superannuation Account were written off to net debt. Similar action was not taken at that time with respect to a recorded deficiency of \$276,661,000 as at December 31, 1957 in the Public Service Superannuation Account.

When the quinquennial actuarial report on the Public Service Superannuation Account as of December 31, 1962 was tabled on November 12, 1964, the Minister stated that authority would be sought from Parliament later in the year to write off to net debt an additional deficiency of \$110,536,000 revealed by the report, plus interest (as well as the previously existing deficiency of \$276,661,000) and to charge the deficiencies arising from pay increases authorized during the fiscal years 1963-64 and 1964-65 against expenditure over a five-year period commencing with 1964-65.

It was calculated by the Department of Insurance that the deficiency in the Superannuation Account as at December 31, 1962 plus interest to December 31, 1964 would amount to \$119,556,000 and that the additional deficiency arising from pay increases authorized in 1963-64, with interest to December 31, 1964, would amount to \$30,506,000.