

Supply—Finance

estimated liability was \$341,149,000 and the balance in the accounts amounted to \$89,544,000, leaving a deficit of \$251,605,000. By December 31, 1951, the deficit had increased to an estimated \$312,000,000, even after a special contribution in the amount of \$75,000,000 had been made.

This deficit position was carefully studied in order to determine what should be done to reduce it and to prevent the creation of a new one. The deficit had been caused almost entirely by two main factors. First, the government had only matched contributions of employees for their current service and not those for their prior service and, secondly, since the contribution rates are calculated on the basis of a normal progression up the established salary scales, when there is a general salary increase, the contributions already made are actually inadequate in relation to the larger pension which will be received.

I indicated that the government proposed to continue the policy initiated at the close of 1950-51 to wipe out the accumulated deficit by means of bulk contributions over a reasonable period, and in order that the causes of that deficit would not continue to have effect I indicated my intention to show on the government balance sheet the full estimated actuarial liability of the superannuation fund at the end of each fiscal year and to credit to the account each year thereafter an amount equal to interest reckoned at 4 per cent calculated on the amount of the full actuarial liability of the fund rather than on the actual balance in the fund.

In the final supplementary estimates last year, I included an item to make up for the portion of the deficit related to past service contributions which had not been matched. A further item was included in those estimates to match the increase in the net liability of the fund which was created by the general salary increase, effective December 1, 1951, and finally a third item in those estimates constituted a bulk contribution to further write down the existing deficit. These contributions reduced the outstanding deficit in the account to \$214,000,000 as of March 31, 1952.

Reference to the public accounts for 1951-52 will indicate quite clearly to hon. members that the policy which I announced last year at this time is being followed.

Item 571 in the estimates now before us is simply a further bulk contribution designed to reduce the outstanding deficit in the account from \$214,000,000 to \$189,000,000.

[Mr. Abbott.]

Mr. Macdonnell (Greenwood): How does the position compare with that of two or three years ago?

Mr. Abbott: The high was \$312,000,000.

Items agreed to.

DEPARTMENT OF FISHERIES

The Chairman: Shall we take items 573, 574 and 575 together?

Some hon. Members: Agreed.

Fish culture and development branch—

573. Construction or acquisition of buildings, works, land and new equipment—further amount required, \$350,000.

Fisheries research board of Canada—

574. Headquarters administration—further amount required, \$8,000.

Special—

575. To provide for assistance in the construction of bait freezing and storage facilities, subject to the approval of the governor in council—further amount required, \$10,000.

Mr. Browne (St. John's West): Would the minister make a statement?

Hon. James Sinclair (Minister of Fisheries): The first item has to do with a slide on the Babine river, which is one of the tributaries of the Skeena and one of the important salmon streams in the west. A little over a year ago the salmon were noticed falling back in the river. An aeroplane was flown over and it was found that quite an amount of the bank had slid in and choked the river, something similar to what happened at Hell's Gate in 1913. Last summer the department built by day labour a 60-mile road into the slide and last fall we let a contract for \$498,000 to the General Construction Company, who were the lowest tenderers, for the removal of the slide before April 30, 1953. This is the time of low water when the work can be done and when no salmon are passing. The amount required in this fiscal year toward that contract is the \$350,000 covered by this item.

Mr. Green: Will the work be finished on time?

Mr. Sinclair: The contract is to be finished by April 30 and it contains a penalty clause for every day thereafter. We are quite sure that it will be finished. The work is going very well according to the reports of our own engineers.

Items agreed to.

Fisheries research board of Canada—

574. Headquarters administration—further amount required, \$8,000.

Mr. Higgins: Has any decision been arrived at with respect to the headquarters of the fisheries research board in the east?