

but records that it is of the opinion that legislation is desirable before any like arrangement is entered into with respect to locally engaged persons in any other country.

In June 1961, notwithstanding the opinion thus expressed by the committee, the treasury board authorized a non-contributory pension plan for employees engaged locally in countries other than the United States, the United Kingdom and the Republic of Ireland and to whom the previously established pension plans did not apply. In so doing, the board apparently relied on the general authority granted to it under section 7 of the Financial Administration Act to make regulations prescribing conditions of employment of persons in the public service, and "for any other purpose necessary for the efficient administration of the public service".

In the audit office view, it is doubtful if appropriate authority for the action taken is, in fact, provided by this section because future Parliaments are thus morally committed to provide funds for a pension scheme in respect of which no Parliament has been asked to legislate.

A single benefit under the new non-contributory plan—a lump sum payment of \$735—was charged during the year under review to the annual vote for "government's contributions to pension plans (and death benefit plans) for employees engaged locally outside Canada who are excluded from the Public Service Superannuation Act" (Vote 124).

Mr. BRYCE: This raises a completely different kind of problem, one which is really more a matter for lawyers and members of parliament and the minister than for civil servants. We, of course, have taken note in the department of the observations of the Auditor General on this matter, and particularly the observations the committee made in 1959, which he quotes. As a department we would be prepared to get legislation ready to authorize these benefits for employees engaged locally outside Canada.

I should point out that either one of two things would be necessary. Either such legislation would have to be very general in nature, indeed so general as to constitute little more than what is covered in the appropriation for the purpose; or else we would have to have very detailed provisions to apply to the various countries in which we operate, and these very well might have to be changed from year to year.

The kind of provisions we have depends on the country in which our people are working, and the normal practices followed by employers, or practices required by law in such countries. Usually there are, I suppose, at the most a few dozen employees covered in each country. Therefore, the problem would be to either keep up with detailed legislation with changes occurring in these various countries where we are operating, because we try to follow local customs, or to have very general legislation which merely would be the kind of endorsement by parliament of the policy followed which, we take it, normally is acquired by the approval of this item from year to year in the estimates and the Appropriation Act.

We have been told by lawyers that as a matter of statute law the Financial Administration Act together with the various Appropriation Acts constitute adequate statutory authority to carry out these and similar operations.

The report of the committee in 1959 says: "Save where the prerogative is applicable". This gets into a branch of law where any normal bureaucrat fears to tread; but I always understood the prerogative in matters of this kind is pretty wide, limited only by statute or limited by the ability of the sovereign to obtain moneys from a reluctant parliament. In this case, the limitation really is on the moneys obtained through the Appropriation Act. When we