

estimated expenditure for 1958-59 of \$33,274,000. By far the largest item in this vote is salaries and wages. These expenditures have increased from \$20,831,000 to \$28,211,000 and the estimated expenditure for 1958-59 is shown as \$28,626,000. It may be noted that the over-all increase in expenditures amounts to \$6,347,000 and yet the increase in salaries is \$7,380,000. I would point out that items covering alterations, maintenance and repairs, rental of office accommodation and electricity, heat and water rates which amounted to \$1,773,000 in 1953-54 and \$1,917,000 in 1954-55 have in the later years been largely assumed by the Department of Public Works. Disregarding these items, the net expenditures, excluding salaries and wages, have only increased by \$740,000 in the last five years. Of this increase, the largest item is \$434,000 for postage. With the tremendous increase in the payment of benefits in the last fiscal year, it would seem that our expenditures will have to increase very considerably if this volume is maintained.

The increases in salaries and wages are due mainly to general salary revisions and to the increase in casual help. The regular staff has remained remarkably constant. The maximum continuing staff on duty at any month end was 6,998 in the fiscal year 1953-54 and only increased to a maximum of 7,439 in 1957-58. For a number of years the commission has determined its staff requirements in local offices by work units in local office production. This staffing basis has been an invaluable tool in determining the staff requirement for each office. I might add that the staffing basis shows a need for further supervisory positions, particularly in the insurance branch. In fact, a total of five hundred and twenty-five new positions was originally requested in our 1958-59 supplementary estimates, being two hundred and seventy-five positions for insurance and two hundred and fifty for employment. Of these only one hundred and fifty employment positions were approved by treasury board. Unless the work load of the commission decreases very considerably—which seems unlikely—a renewed request will be made for these additional positions.

Since the salaries and wages object forms such a large part of our total controllable expenditure, I think you would be interested to know of the formal organization which assists and advises the commission on the proper utilization of staff and the development of the system which the staff must operate.

I would like to refer you to the organization chart on page 2, which shows the head office of this commission. Under the executive director at head office we have an administrative services branch and you will note that this branch has three divisions.

The standards and methods division is composed of a group of officers especially trained in office procedures and methods. These officers are continuously engaged in reviewing the commission's standards for accommodation and staffing. In addition, these men are continuously studying more effective and efficient methods to be used in our local offices. All procedures are planned with the technical assistance of this group. At the present time, after much study and research, a pilot mechanized claims payment plan is being introduced in the Prairie region. It is hoped that this will produce substantial savings and it is planned to progressively introduce this new method in the rest of the country.

In the earlier part of this report, I pointed out the work of the employment and insurance branches, particularly with regard to the selection of people for jobs, and on the insurance side the skill required for the taking, computation and adjudication of claims. In order to have a staff capable of performing this difficult work, training becomes very important. The staff training division of the administrative services branch prepares the necessary training studies and