

is aware there was no break in the services rendered. Your Committee is of the opinion that it would be in the public interest were appropriate consideration given to the pertinent provisions of the Aeronautics Act, and also those in the Defence Production Act which treat with the powers of the Minister of Defence Production where he is satisfied that a party to one or more defence contracts had been paid an amount in excess of the fair and reasonable cost of performing the contracts together with a fair and reasonable profit.

Special Pension Plans

In March 1957 the then Minister of Finance negotiated a group annuity contract with an insurance company for the benefit of locally engaged employees in the United States. The arrangement requires the employees to contribute 5% of salary and the Government the balance. Your Committee was informed that as at 31st March 1958 there were 114 contributors. In October 1957 the Treasury Board authorized the High Commissioner in the United Kingdom to apply to an insurance company for a group policy covering locally engaged employees in the United Kingdom and Ireland. It is understood that 320 persons were thus insured as at 31 March 1958.

It was drawn to the notice of this Committee that the Public Service Superannuation Act excludes from its benefits "an employee engaged locally outside Canada" and that the sole authority for entering into the arrangements was a vote having this text: "Government contributions to pension plans for employees engaged locally outside Canada". Therefore, the matter before the Committee was whether the text of this vote was sufficiently explicit to vary a statement of policy enunciated in the Public Service Superannuation Act.

It is a commonplace to say that, save when the prerogative is applicable, public administration derives its authority from some provision in a statute and that, while the text of a vote may be such as to result in an enactment, such an intent should be clearly stated. The reason is that the object of supply and appropriation being simply to furnish the Crown with authority and opportunity to draw on Consolidated Revenue Fund, the Committee of Supply should never be presumed to be simultaneously determining the law applicable, save and except when the text of the item necessitates.

In the present cases, contracts have been negotiated and a substantial number of persons have been contributing for over a year. In the circumstances, your Committee accepts the status quo 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.

Family Allowances Act

Your Committee draws attention to a situation existing in the application of the Family Allowances Act and suggests that further consideration be given to this legislation aimed to assist in the maintenance, care, training, education and advancement of children from birth to age sixteen. Payments are ordinarily made to a "parent" as defined by the Act. This definition excludes institutions but section 4 permits payments to be made to another person recognized by regulations of the Governor in Council. By use of this section, some child welfare organizations receive allowances in trust subject to such directions as the Department of National Health and Welfare may give. Your Committee