

are entitled to know the precise amount of their entitlement and to be able to depend on its not being changed.

Every large organization has to face clerical work of this type in the administration of its personnel work and it is my view that prompt and effective steps are long overdue in this area.

We go on to say in this note that the multiplicity of errors, in our opinion, had its origin in a directive dated June 11, 1957 from the then Minister of Finance, which established a division of responsibility between the Superannuation Branch and the Comptroller of the Treasury.

Under this division the Comptroller's pre-audit of benefit payments was discontinued, and for some reason the Superannuation Branch was relieved of all responsibility for the correctness of superannuation contribution deductions. As a result, when determining annuities to be paid the Branch does not verify contributions made in relation to salary earned. If it did so, it would automatically indicate errors made at any time during the period of service, and consequently reduce the possibility of error when you come to calculate the annuity.

Yet even with the transfer of responsibility for administration of the branch to the Comptroller of the Treasury in December 1963, this simple verification was not re-introduced. Perhaps our witnesses today can shed some light on this.

Mr. BALLS: Mr. Chairman, this is a matter which has been before the Committee for many years, and as the Auditor General has said, on December 6, 1963, when appearing before the Committee, the Deputy Minister of Finance announced that the Minister had decided to transfer the Superannuation Branch from the general direction of the Secretary of the Treasury Board to the Comptroller of the Treasury. When Mr. Bryce appeared again before the Committee in July 1964 he suggested that at some subsequent time I might report to the Committee on my stewardship.

This is the first occasion that I have had an opportunity to do so, Mr. Chairman. I am very, very glad to be able to speak here today on it. With your indulgence I have a statement which I would like to read in connection with the steps that have been taken to meet these questions.

The CHAIRMAN: Proceed.

Mr. BALLS: Let me commence by saying that the Public Service Superannuation Act is a most difficult piece of legislation to comprehend and, I believe, a most difficult one to administer, being comparable to the Income Tax Act in its complexity. This, may I say, is more true particularly since the Act of 1953, which made superannuation a right rather than a privilege of employees. Moreover, as a result of the proposed amendments to the Act, which were placed before Parliament ten days ago and which have been referred to the joint committee on the Public Service of Canada, in the very near future the branch will have to cope with this new and even more complex legislation.

In addition to the Public Service Superannuation Act the branch is responsible for the administration of six other pension acts, the National Harbours Board Pension Plan, the Diplomatic Services Special Superannuation Act, the Public Service Pension Adjustment Act, the Annuities Agents Pension