

Salary Deduction Act

would be to do an injustice to the public service, but subject to these few exceptions I am in entire agreement with the latter part of the hon. gentleman's remarks.

Mr. HANBURY: With reference to the retiring of civil servants after they have reached the age of superannuation, I agree with the minister that there may be exceptions, but I think they should be very exceptional exceptions.

Mr. RHODES: They are.

Mr. HANBURY: With reference to the minister's remarks regarding those who hold bonds of Canada and who after all are the beneficiaries of this sacrifice or reduction we are making, the minister's answer was rather obvious, I think; I had hoped he would say something different. After all the minister is quite aware that everything is not right in Canada to-day. There are many people who feel that a large group of citizens are not sharing their full responsibility although they are beneficiaries from the condition that exists, and that is something that the minister should attempt to answer.

Mr. RHODES: Perhaps my hon. friend did not mean to impart to his remarks as much asperity as his tone would suggest. I thought I gave a very clear answer to his suggestion. It may be that bondholders are not making the sacrifice they should. That is an entirely different question, however; but confiscation is not in our mind. I do not think there is anything I can add to the previous statement I gave and which I assure my hon. friend I made in good faith.

Mr. HEAPS: Has the minister a list of the persons employed by the government affected by the salary deduction and also the amount of salaries received?

Mr. RHODES: I am sorry I have not at the moment the figures under my hand. I gave them last year. As to the amount of salaries, it is a little over \$80,000,000, the saving of ten per cent last year having amounted to \$8,300,000. I should not care offhand to hazard an estimate of the number of civil servants but I will give the hon. gentleman that information at a later stage.

Mr. HEAPS: I understand that a large number of civil servants, about ninety per cent, receive \$100 per month or less. It was so stated this afternoon. The minister said in reply to the member for Ottawa that this reduction, or whatever you choose to call it, is being made in order that the persons

[Mr. Rhodes.]

employed by the government may in some way help to tide over the extraordinary conditions through which we are passing at the present time, and help to pay for the large amount of money the government is compelled to find to take care of the unemployment situation here in Canada.

Mr. RHODES: That is part of it.

Mr. HEAPS: It seems strange that we should ask people receiving \$100 per month or less to make that sacrifice for the men and women who happen to be out of work. As the hon. gentleman who preceded me pointed out, it would be far more logical to tax those who are better able to bear the burden. I do not wish to advocate the confiscation of wealth, but the minister said that he found it difficult to devise ways and means of getting at all the bondholders of this country. Last year we saved a little over eight million dollars in salaries, while the interest charges increased by thirteen million dollars. I think the government should take into consideration the taxing of the interest paid upon these bonds.

Mr. RHODES: They are taxed.

The CHAIRMAN: I think this is all out of order. Hon. members should confine themselves to the resolution, which deals with the civil servants and the members of the House of Commons and the Senate.

Mr. HEAPS: I am suggesting to the minister where he can find sufficient money to make it unnecessary to reduce salaries. I am sure the minister will be grateful for any suggestions I have to make.

Mr. RHODES: Wait for the budget.

Mr. HEAPS: In the meantime this ten per cent deduction may be made effective.

Mr. RHODES: It will.

Mr. HEAPS: If a twenty per cent tax was put upon the interest of these bonds it would yield about \$20,000,000 and the minister would not have to go out of his way to take \$8,000,000 from people who are receiving an already too small salary. I do not think there is much more I have to say as I would be only repeating what I said last year. I do not believe that a reduction of salaries to the extent of five or ten per cent, as the government has done this year, will materially benefit the finances of the country. On the contrary, it has had a very bad effect upon employers in other parts of the dominion. They have followed the action taken by the government and have reduced the salaries of