

*Civil Service Act*

government and the people to recognize the right of civil servants, with the exception of those in the administrative class, to express political opinions and to take part in politics. While we are considering this legislation all members of this committee regardless of party should give this question some consideration so that as soon as possible in the near future we may be big enough and have enough confidence in our civil servants and in our system to give effect to principles which have been applied in Great Britain as the result of experience. In so doing we should be according to our civil servants the full rights to which they are entitled as Canadian citizens.

(Translation):

**Mr. Dupuis:** Mr. Chairman, I should like to make only one correction. I said a while ago that the office of secretary of state did not even exist in 1918. I must say that I was wrong but it is only in 1930 that the secretary of state was entrusted with the administration of the Civil Service Act. I felt bound to make that correction because I do not like to mislead the house.

Therefore, ever since 1930 the secretary of state has been responsible for the administration of the Civil Service Act. He has participated in debates on estimates and legislation concerning the civil service of Canada. A while ago, I said that it is unfortunate that the Secretary of State should not be here this year when we are examining the Civil Service Act and when this bill is being introduced.

(Text):

**Mr. Matheson:** In speaking to this bill may I dissociate myself from the remarks of the hon. member for Brome-Missisquoi. I think we have a good example in a person who was a distinguished King's counsel—

**An hon. Member:** Queen's.

**Mr. Matheson:** No. It was King's counsel in that day, I believe—a colonel of His Majesty's and Her Majesty's forces, a supreme court judge who now adorns the office of chairman of the civil service commission. The fact that this gentleman, who is esteemed and highly respected in all quarters of the house, knew something about practical politics in no way reduces his usefulness to parliament.

Looking at the excellent report put out by the chairman of the civil service commission I note one or two things with satisfaction. One is the salary increase for the majority of civil servants. We must bear in mind that anything which has been gained in the way of salary increase has really been compensation for loss of real income. We must be reasonable and expect that within the near future this matter may have to be reconsidered,

[Mr. Herridge.]

particularly if our monetary policy is going to reduce still further the value of our dollar.

We notice also the statement on page 9 of the report that recruiting was easier in 1960. This, unfortunately, is simply a reflection of the employment difficulties which many of our university graduates have faced in the past two years.

On page 11 of the report there is a factor which I find disturbing and I would ask the parliamentary secretary if he could help us with regard to this matter. Under the heading "Shortage Classes" the report says: "At professional level recruiting was difficult in the case of—" Then the report sets out the classifications of a number of people whose services were difficult to recruit. Among them are economists, and I find this distressing, particularly in the light of the longest budget in Canada's history which curiously contained practically no economic theory. There was a certain amount of reference to monetary policy but, after all, monetary policy is only a small part of economic theory.

Turning to Dr. John Kenneth Galbraith's book "The Affluent Society" and in particular to the chapter called "The Monetary Illusion" I find that the author says this, which I believe is germane to our discussion:

Not only did monetary policy belong to the banking community, but specific steps were taken to safeguard the exercise of this authority from the intervention or intercession of politicians. The central bank was kept "independent" of the government and in degree above it. Such was the case for centuries with the bank of England. It is still so, nominally, of the federal reserve system.

He goes on to point out, as I think we have heard in the speeches of the late governor of the bank, that monetary policy is only a tiny part of economic theory and sometimes an illusionary part.

**An hon. Member:** Order.

**Mr. Matheson:** In the language of Dr. Galbraith he says:

Monetary policy became a form of economic escapism.

**The Chairman:** Order. I believe the hon. member is getting a little far afield now. He is taking the occasion of the report to discuss other matters which are not germane to the debate. I would ask his co-operation in this regard.

**Mr. Matheson:** Thank you, Mr. Chairman, I shall certainly co-operate. I was pointing out, sir, that we should not overemphasize monetary techniques and be concerned with over-all economic principles.

In *The Economist* of July 8, 1961, an Ottawa correspondent has the following to say: