

ted earlier, and I think last year. The measure is this, that the deduction is made only in those allowances which are deemed to be a portion of the salary of the office. In other words there are allowances of a special character which are not subject to deduction. I have in mind several instances of that character. Only in the case where it has been deemed as constituting a portion of the salary of the office is it subject to deduction.

Mr. ILSLEY: I wish to bring to the attention of the minister a case I had in mind and which may have been adjusted. It is the case of a janitor who was receiving \$25 a month and was furnished with living quarters by the government, the valuation placed upon these quarters being \$25 per month. When the ten per cent cut came into effect his salary was reduced by \$5. I took the matter up with the department, submitting that this was entirely unjust. It was based upon the theory that he was really receiving \$50, \$25 in living allowances and \$25 salary, and that therefore the salary was properly subject to a reduction of \$5. The result was that he got \$20 per month thereafter instead of \$25. The matter may have been adjusted because I am not acquainted with the present status of the case, but I should like to find out whether that class of cases is still being so treated, because I submit that it is entirely unjust. A little reflection will show that the salary cut is based upon the theory that prices have gone down, that the cost of living has gone down approximately ten per cent. If that is the case it would be perfectly just, if he were receiving \$25 by way of allowance for living quarters, to reduce the \$25 to \$22.50; but where the government is itself supplying the living quarters, their value by hypothesis is only \$22.50; therefore he should receive a total of \$45, and his salary should be \$22.50.

Mr. RHODES: I understand the point. It may be that there has been an injustice to that individual, but whether it be so or not the fact remains that he comes within that class of cases where the living allowance has been deemed to constitute a portion of the salary, and in that case it is subject to deduction.

Mr. ILSLEY: But he is not actually getting any living allowance; he is supplied with quarters. I submit that this is an injustice that should be remedied. Can the minister tell me whether in a case such as I have put to him the man will get \$20 or \$22.50?

Mr. RHODES: I can only answer in general terms, but I will make specific inquiry and give the hon. gentleman an answer on the second reading.

Mr. HANBURY: I think the civil servants and even members of parliament who are taking the deduction would accept it with much better grace if they felt that the people who are really benefiting from it were also suffering the deduction. I refer to those who carry bonds of the dominion. We have yet to see any demonstration or hear any suggestion on the part of the government that the bondholders are to participate to any extent in the cut. The minister pointed out to the hon. member for Ottawa that the cost of living had been reduced by twenty per cent, but he has not stated to what extent he proposes to reduce the income of the bondholder. There is one other point I wish to raise. In the estimates we notice that civil servants who should be superannuated on account of age are being carried as civil servants. I do not think that under present conditions, when the government are asking members of parliament and civil servants to take a reduction, any member of the service should be carried one day past the time due for his retirement.

Mr. RHODES: I may say to my hon. friend that the government would welcome any opportunity of borrowing its money at a much lower rate of interest; that is obvious. But I have no hesitation in saying to him at once that this government certainly will, and I think the dominion always should honour its contractual obligations. There will be no question of repudiating the contract we entered into when we borrowed money from the public on the issue of bonds. With respect to the other point raised by my hon. friend, as a general principle I agree with him entirely that civil servants would be far better off and opportunities for promotion would be increased to a greater extent if there were automatic retirement as provided. No government in the history of Canada has complied generally with that principle to a greater degree than has this government. The exceptions can be counted on the fingers of one's two hands, if not on one hand, in the whole of the public service. It would be unjust for me to indicate individuals, but I have in mind men who have had exceptional experience, men who have been thirty and forty years in the public service and who are being continued solely because of special qualifications and because of their fitness for the particular posts they occupy. Not to continue them