

Supply—Finance

because we go through the various groups, and be denied the increase, or is there any possibility that because this issue has been studied and talked about in the house, the regulation may be made in such a way that a decision could be made in advance to enable people who are leaving the service to receive increases made on a retroactive basis?

Mr. Gordon: That is the intention from July 1, 1963.

Mr. Knowles: That is, from here on?

Mr. Gordon: From here on, that will be the case.

Mr. Knowles: If a year from now increases are made which are retroactive to July 1, 1964, but they are not announced until January 1, 1965, the people who retire between July 1, 1964 and January 1, 1965 will get the retroactive pay for the period of time they worked in that interval?

Mr. Gordon: That is correct.

Mr. Knowles: Well, that is good. It certainly justifies, if it needed justification, the institution of questions on orders of the day. This question, in my time here, has seldom been discussed in debate but it has been discussed often by means of questions and answers on orders of the day. Apparently this process has caused the minister to think about it and come up with a solution to the problem for people in the public service from here on. Those now in the service are going to be delighted to get this news. If this situation occurs again, they will be looked after. However, this is cold comfort to those who left the service during the last two years. As a matter of fact, the people who have written me, and they have been many, are mainly those who have left since last October and who had two or three months of work during the time the increases were in effect. They did not get them. It is rather cold comfort for them to know that the government has found a way to cope with the matter in the future.

Mr. Gordon: It did not take the government all that time. These decisions were made within two or three months of the time the government took office. There was a very careful study made, as I indicated to the hon. member on orders of the day, to see what the problems would be if we made this retroactive. Now, I think the hon. member's original suggestion was that we should go back to October, 1962. I can assure him I looked into that very carefully. The difficulty was, why single out these particular people when the cyclical review had taken a couple of years to complete?

[**Mr. Knowles:**

Now, I agree with him, if it could have been done without a great deal of difficulty; perhaps the answer would have been to have gone back to the beginning of this particular cyclical review which I recollect began in July, 1961. There were difficulties, which I have explained on previous occasions in doing that. It seemed to the government that the next best thing to fixing up these things back to the beginning was to at least make a good start from now on, and this was done. The announcement was made some time ago.

The only other thing I want to say is to assure my hon. friend that I think this makes it clear the principle he is advocating, and that I am just as much in favour of—I suspect—as he, will apply from this time forward. I agree with him that I have some reservation about seeing these \$1 items in the estimates. When these particular acts come up for review, I should like to see this provision incorporated in them, so that they will be there and it will be clear to everybody where they stand. However, if we tried to open up all these acts now it would take a little longer, apparently, than we have between now and Christmas.

Mr. Knowles: I want to make it very clear that I am not detracting one bit from the genuine use of the word "good" that I offered a while ago when it became clear what the decision was in respect of the future. It is perfectly true that on several occasions on orders of the day the minister indicated that the problem was being studied, and I am even prepared to say the government deserves good marks if it comes up with a solution in two or three months; but I do not think the minister has given a satisfactory answer to cover the last full cycle.

The difficulty is that these people are now retired. Many of them retain a connection with civil service organizations and that sort of thing, but they are out of the picture, and somehow or another when people are out of the picture they do not seem to get the attention and consideration they seem to get while they are in the picture.

I congratulate the government on the decision made and I am glad the minister was able to say, without any ifs, ands or buts, that from here on any pay increase that is announced will go to all people who were working at the time the pay increase became effective, even if they retire a week or a month from that date.

Item agreed to.

85. Government's share of surgical-medical insurance premiums determined in accordance with regulations made pursuant to vote 124, Appropriation Act No. 6, 1960, \$8,500,000.