

Mr. ILSLEY: I wish to repeat, as earnestly as I can, that that ruling by the treasury board violates, I submit, the most elementary principles of common justice. I do not know that I can add much to what I said the other day, but I must say that this is a matter affecting hundreds, perhaps thousands, of employees in Canada. It affects those employees who are getting paid partly in cash and partly by the furnishing of a house, by rations or something else other than cash.

Mr. VENIOT: It affects every country postmaster.

Mr. ILSLEY: Yes. Some hon. members will realize how little justification there is for this ruling. One of the grounds urged in justification of the Salary Deduction Act is that during the last few years the cost of living has gone down by at least ten per cent. If we take the case of a civil servant who is being paid partly in cash and partly by furnishing living quarters, we must realize that the value of the living quarters is less than it was. It has gone down at least ten per cent. Yet by the action of the treasury board in making a deduction of ten per cent of the value of the living quarters from the part paid in cash, the government is keeping the charge for the quarters up to the amount it was before the reduction.

Let me put the case in a way which will be understandable by every hon. member. Let us consider the car allowances to ministers. The amount received by ministers for sessional indemnities and as ministerial salaries totals \$14,000 each. They receive a car allowance of \$2,000. As I understand the circumstances, the salary deduction legislation makes a deduction in both instances. The minister will correct me if I am wrong.

Mr. RHODES: That is right.

Mr. ILSLEY: Instead of \$2,000 for car allowance, under the salary deduction legislation ministers receive only \$1,800, and everyone knows that is enough if \$2,000 was enough, because it is the common experience of every member of this house that the charges for taxicabs and the like have gone down at least that much during the last two or three years. Now suppose that a change were made in the system, and the government, instead of paying a car allowance to the ministers, supplied them with cars, does anyone pretend that the deduction from the \$14,000 should be \$1,600? The deduction from the \$14,000 should be \$1,400. That would be the only just ten per cent deduction that could be made. The other \$200 has already come off.

The service that is supplied is worth \$200 less than the service the government would have been supplying had they been supplying that service two or three years ago. The deduction has already been suffered on the part of the salary that is supplied in kind. Take for example a lighthouse keeper who gets paid \$200 in cash and is supplied with quarters said to be worth \$200. His deduction should be \$20, it should not be \$40, because the value of his quarters, on the very basis upon the act itself, has gone down \$20. It is an absolute injustice to take 20 per cent from his salary.

Take the case of certain employees who, I understand, get paid no money at all, but get the whole of their remuneration in kind; do they owe the government something now? Certainly not. Yet that is the result of the ruling applied by the treasury board to this particular class of officials. Say a man gets no remuneration from the government except, for instance, the use of a house, which is supposed to be worth for superannuation purposes \$1,000 a year. Under the Salary Deduction Act, according to the principle applied by the treasury board, he must pay back \$100 a year, because he is being cut down by ten per cent. But anyone who thinks about it will see that he is being cut down ten per cent anyway by the change in conditions; his house is now worth only \$900 a year. I submit that the minister should not answer this by saying: Well, that is the regulation of the treasury board, and let it go at that. The regulation of the treasury board should be changed, it is manifestly a violation of the ordinary principles of justice to cut down these people by 20 or 25 per cent or more when the Salary Deduction Act only provides for a reduction of ten per cent.

Mr. RHODES: Mr. Chairman, the instance given by the hon. member for Hants-Kings (Mr. Ilesley) in respect of a man who receives as his pay the right to occupy a house is purely imaginary.

Mr. ILSLEY: I am told not. I have made inquiry and found that some civil servants receive their total remuneration in kind.

Mr. RHODES: I have not had the point before, but I think it is imaginary. I would be glad to have an instance, and inquire into it. Let me say that I have not justified, or attempted to justify, the method of the application of the Salary Deduction Act upon the mere ipse dixit of the treasury board. As a matter of fact, unless the question were submitted to me I do not recall that I have even referred to the treasury board. What I have