

Salary Deduction Act

permanent arrangement, I fail utterly to see why it would not be equally good for an arrangement that has already lasted one year, is now certain to last at least two years, and may possibly, according to the minister's own statement this afternoon, last for a longer period. I quite fail to see how the minister argues that if it were a permanent matter it would be equitable to have a graduated scale, but it is not equitable for a temporary matter.

Mr. RHODES: My hon. friend is not quite correct. I said that the subject was open to argument, but on balance we were of the opinion that the ten per cent reduction was fair on the whole.

Mr. ELLIOTT: Assuming, although we all hope conditions next year will be better, they continue to get worse and last for three years, and the minister decides to make the cut for another year, surely that would be sufficiently permanent to justify the bringing into operation of a graduated scale.

Mr. RHODES: Of course my hon. friend knows full well that it is impossible to argue from the particular to the general. But I will point out that there are some very grave difficulties in connection with the graduated scale which would involve, let us say, a twenty per cent cut on salaries above \$3,000. Just by way of illustration, I have in mind one particular case, by no means an isolated case, where even under the depressed conditions that exist to-day an official of the civil service was offered a salary increase of over \$2,500 with a company which would guarantee him employment for the rest of his life. That man's services were too valuable to this country, we would not let him go, we had to increase his pay. There are other similar instances. We could not make a general cut of twenty per cent covering that man's case, it would be unfair. But he does submit in the circumstances to the ten per cent deduction. I do not say that perhaps the balance of judgment may not be in favour of a graduated reduction, but I mention it to show the difficulties and ramifications one encounters in trying to work it out in actual practice.

Mr. HEENAN: I would like to be clear as to what the intention of the minister is with respect to the statutory increases. He said this is only for one more year. I was wondering how it would affect those who are entitled to a statutory increase at the end of the time, when we hope there will be no further necessity for these reductions. For instance last year there would be some civil servants entitled to \$60 statutory increase, this year they would

[Mr. Elliott.]

be entitled to a further \$60, that is \$120. If there was no necessity for this measure now, would those civil servants' salaries be advanced \$120 from what they were at the beginning of these reductions?

Mr. RHODES: He will be retarded for two years in his advance. He may go to his maximum, in all probability will, prior to the question of superannuation arising, but the fact remains that his increases will be retarded for two years, there is no doubt about that.

Mr. VALLANCE: I would like to draw the attention of the minister to a type of civil servant who in the discussion of this resolution to-day has not had much consideration. I refer to a civil servant who is paid on a commission basis, as in the Post Office Department. For instance, in Ottawa, or in any large city, the postmaster received a salary. He will receive a ten per cent cut. The business done by that post office, like that in most others throughout the country, is not as extensive as it was in 1930. Still he receives the same salary, less ten per cent. A postmaster paid on a commission basis, where post office has a revenue of \$3,500, gets seventy per cent on the first \$1,000 worth of stamps sold, thirty per cent on the rest, and his rental is determined on the volume of business done. The falling off in business is probably equal to that of the post office where the postmaster is paid on a straight salary basis. So at present those postmasters who are paid on commission have taken a cut of about twelve per cent because of the shrinkage in business. Now the government proposes to add a ten per cent cut on top of that. Has that yet been given consideration by the minister? Here is one type of postmaster who has a set salary no matter what the revenue of the office, and he takes a ten per cent cut on that salary. The other postmaster's salary is determined by the revenue taken in by the office, and because of the same conditions both offices are doing less business, but one will take probably twenty-one or twenty-two per cent reduction under this act and the other only ten per cent.

Mr. RHODES: I think that case has been fully considered. If my hon. friend will allow me I will look up his argument in Hansard and deal with it when we come to the committee stage on second reading.

Mr. ILSLEY: I would like to ask about a class of civil servants having a house allowance in addition to their pay.

Mr. RHODES: My hon. friend perhaps did not hear me when that question was submit-