

and Mr. Pelletier, are away. Miss Addison is out west, and Mr. Pelletier has a touch of the 'flu, and could not be here; we hope he will be back in the office tomorrow. Miss Addison will regrettably not be back until Monday.

The background of this bill, Mr. Chairman, of course, is the Heeney Report, and I think it is sufficient to say that wherever there was any residual direction to be taken by the draftsmen it was derived from the Heeney Report. There are certain recommendations in the Heeney Report which were not incorporated in the bill. I cannot pretend to be exhaustive on this subject, but I would say that the first item was the fashioning of a unitary civil service to include many agencies like the National Research Council which are at present outside the service, and which, you may remember from some of the observations that were made, would like to remain outside the service; and it was felt that at this time perhaps such a sweeping embrace should not be placed upon all the various agencies of the Crown. The second is, of course, in reference to the veterans preference. I think there has been some misunderstanding about that. I am advised by my colleagues that the authors of the Heeney Report did not contemplate changing the present preference entitlement as it applied to veterans of the first and second world wars; they were holding out a plan possibly more equitable which could apply in the case of future wars.

Senator ASELTINE: We hope not.

Hon. Mr. HUGHES: Yes, of course. I did not realize it when I first looked at the report, but I understand from them that is the case. As you know, the bill contains practically to the last jot and tittle the same provisions in connection with the veterans preference entitlement that are contained in the Civil Service Act as it is now operative.

Then again, I think perhaps I should refer briefly to section 7 of the bill, which I know is of great interest. The Heeney Report recommendations, as Senator Connolly said last night, are contained I think in section 47 of the report and appendix B, and it was felt by the authors of the report that a system involving negotiation, collective bargaining and compulsory arbitration was not suitable for our particular environment at this time. They recommended something which they called "systematic discussions", by which the representatives of the staff associations and representatives of the treasury and other Government departments should sit on opposite sides of the table, which would be presided over by representatives of the Civil Service Commission, and then when all the arguments had been thoroughly aired, the Civil Service Commission would make its recommendation to the Government. In section 7, clauses 7 and 10, subclause (3), the provisions of these sections go a little further. As you will notice, Mr. Chairman, in clause 7 there are two provisions for consultation by the commission, first of all, in connection with terms and conditions of employment and any such matters as are raised in section 68, for which the commission has the right to initiate recommendations for the enactment of regulations for the Governor in Council.

Senator BRUNT: Could we pause for a moment? I notice in the original Bill C-77 that section 7 consisted of one paragraph only. Now you have added two paragraphs to it?

Hon. Mr. HUGHES: That is right, and an additional paragraph in clause 10.

Senator BRUNT: Yes, you have added a third one. What do those additions do that were not covered by the original Bill C-77, which received first reading on June 20 of last year?

Hon. Mr. HUGHES: The principal and most significant thing in its revised form that this clause does is to remove the commission from any discussions which may take place between the Minister of Finance and his nominees and the