

Mr. RHODES: There are no government shipyards at Halifax.

Mr. HEAPS: I refer to the naval dockyards at that place. I should like to read it:

When the government's policy of the eight hour day in all government service was put into effect it resulted in the machinists employed in the naval dockyards in Halifax being paid at a 75 cent per hour rate, which I might say was in line with the prevailing rate at the time—

The CHAIRMAN: Order. The people to whom the hon. member is referring would be employed by the harbour commission.

Mr. HEAPS: I am referring to employees at the naval dockyard.

The CHAIRMAN: I do not believe they would come under the civil service.

Mr. HEAPS: Then, Mr. Chairman, if you make it a constitutional point, I should like to ask why they are affected by the reduction in pay?

The CHAIRMAN: I believe I am right in my assertion.

Mr. HEAPS: The letter continues:

—then during the first part of 1932 a survey was taken of prevailing rates in Halifax which showed 70 cents as being the prevailing rate, following which survey the national defence reduced the rate to 70 cents per hour for machinists on April 1, 1932; then the ten per cent reduction was made effective, this reduced the machinists to 63 cents per hour. Now soon after this the Halifax firms employing machinists took advantage of this rate and reduced the rates in keeping with the dockyard with the result that now should a survey be taken of Halifax I believe that the result would show quite a shrinkage in the prevailing rate.

I think it is obvious the action of the government has tended to reduce the rate of pay in the whole of the Halifax district.

Mr. RHODES: It is a matter of opinion whether the action of the government has resulted in a reduction of the prevailing rate. It may be or it may not be. But it by no means follows that because this deduction is asked for it should fix for all time the prevailing rate of wages in Halifax.

Mr. HEAPS: If the government were able to make an exception in the case of Vancouver, why could it not do so for other parts of Canada?

Mr. RHODES: I know of no exception in regard to Vancouver.

Mr. HEAPS: The hon. member for East Hamilton mentioned it.

Mr. MITCHELL: I quoted the following in my remarks:

A precedent has been set in the case of engineers and others employed by the Vancouver harbour board which should help us in getting a general order. Mr. Ward explained to me how the treasury department rescinded the ten per cent reduction when shown that the harbour employees had taken a ten per cent deduction effected by agreement, following the ten per cent wage deduction on railways.

If the treasury board would take the same stand in connection with other parts of Canada concerning the prevailing rate, we would be satisfied.

Mr. RHODES: I think the circumstances are not similar. The hon. member is confusing those who are under a prevailing rate with those who are under a contract.

Mr. STEVENS: He referred to a railway-men's agreement.

Mr. RHODES: The prevailing rate may or may not be the proper rate, but whatever the rate may be if you have an agreement the agreement should be respected. My hon. friend is confusing two things.

Mr. ELLIOTT: I would ask the minister if he has given consideration to the question of having a graduated scale, as was suggested from this side of the house last year.

Mr. RHODES: Yes, that matter was considered most carefully. If my hon. friend would glance at Hansard of last year he will see that it was fully discussed. I agreed with my right hon. friend the leader of the opposition at that time that if this were a permanent thing, or even intended to carry over a period of years, we should approach it from some such scientific point of view in all probability, although the matter was debatable. But it was a temporary thing. I pointed out at that time that although under the present plan there may appear to be injustices, there would be far more with a graduated scale, because when you come to the border line you find innumerable instances of hardship at every stage with a graduated scale, to a much greater extent than is the case with a uniform cut all the way through of ten per cent. While I am not contending that there is not much to be said in favour of the graduated scale, I say that, having regard to the conditions, on balance the argument was in our judgment more in favour of the ten per cent cut than of the graduated scale.

Mr. ELLIOTT: No doubt I am very dense, but if in the opinion of the minister a graduated scale would be a good thing for a