

Dual Positions in the Civil Service

Your Committee took notice of two cases involving the application of the Civil Service and the Public Service Superannuation statutes. Section 16 of the Civil Service Act prohibits any payment to a civil servant in addition to salary authorized by law but includes an exception by providing that, where the salary is not sufficient to compensate for full time, another department may simultaneously employ. The cases before the Committee are comparable and involved postmasters. One was receiving \$4,620 as postmaster and \$2,160 as caretaker of the public building under the control of the Public Works Department, at the time of retirement. Neither was subject to the Civil Service Act when first appointed caretaker but both were later on.

The services involved are hardly compatible, so the risk is present that the subordinate duties may be farmed out, the recipient of the pay for the position, however, benefitting when calculations are made for superannuation purposes. Your Committee did not inquire whether or not the caretaker duties were performed by the two postmasters but recommends that, if and when the Civil Service Act is the subject of new legislation, the text of present section 16 be closely examined.

Post Office Savings Bank

Shortly after Confederation, Parliament authorized a Post Office savings bank system for the convenience of persons with small savings. An associated attraction was that repayment was guaranteed by the Government of Canada. A glance at statistical records indicates that the total of deposits reached a peak of \$62 million in 1905. The comparable total of like deposits in the chartered banks being \$327 million, the Post Office banking service was then being used by a substantial segment of the population. As at 31 March 1958 the total on deposit was \$35 million as compared with \$6,381 million in like accounts of the chartered banks. The relative popularity of the Government service has diminished and it may be that the time has come when public costs could be reduced without incurring public inconvenience.

Your Committee regarded the matter as involving policy, so it made no detailed inquiry. Notice, however, was taken of an Audit Report observation five years ago where it was noted that, while there were approximately 278,000 Post Office Savings Bank accounts, over 150,000 of these accounts were inactive and many had been in that status for years. The Auditor General used to illustrate an account opened in 1878 by a \$700 deposit. That was the only contact the Post Office ever had with the depositor, but regular interest credits over a period of 75 years had increased the balance at credit to \$5,448. A surmise therefore, is that the \$35 million total does not factually describe the real position as to public use.

On the other hand, a check indicates that there are still about 450 communities wholly dependent on the Post Office for savings banking service and, while total money involved at any one of these places may not be large—your Committee did not inquire—it would be unfortunate were these communities not given reasonable service.

Your Committee also takes notice of the fact that since the end of the war the Government of Canada has annually offered Canada savings bonds which may be purchased by installment payments and are redeemable on demand. Thus there is now a new savings service incorporating aims of the Post Office Savings Bank policy. Obviously a conversion of banking balances into savings bonds would promote economy in administration.