

ing that there was not suffering and distress and hardship in Ottawa in the case of individual families, and in the case of individuals not in the government service but who lack employment to-day because of conditions in the lumber industry, for instance, and other industries. I do not for one moment mean to suggest that there is not that type of individual suffering. My remarks had reference merely to the relatively favourable position of Ottawa as compared with other cities in this dominion.

I do not think that I need say anything further. I think I have replied to the two points upon which my hon. friend laid particular stress. I need only assure him that, as he knows, in the case of this bill we are asking for this sacrifice for this year. I sincerely hope that we shall not be called upon in another year to ask for a similar sacrifice. But if conditions in another year are similar to conditions to-day, it would not be at all unlikely that a similar contribution might be called for. But I sincerely trust that that will not be the case.

Mr. MacLEAN: There is one case that I should like to bring to the attention of the Minister of Finance in connection with this ten per cent deduction, and that is as it is applied to salaries of lighthouse keepers and others who are given living quarters in the lighthouse building. I do not know whether it was the intention last year that the act should be applied in the way in which it has been. For the sake of illustration let me give a concrete case, that of a lighthouse keeper receiving a salary from the Department of Marine of \$400. A ten per cent deduction amounts to \$40. But the lighthouse keeper may have his living quarters in the lighthouse building. He can live there if he wishes or he can have his own residence, but as he has to be on duty most of the time he generally lives in the building. The department values the living quarters at, say, \$200 a year, and in making the deduction they take off, not ten per cent of \$400, but ten per cent of \$600. So they are actually taking fifteen per cent of his salary. They take ten per cent off \$200 which he does not receive. I do not know whether that was the intention of the act last year, but I do know that that is the way in which it has worked in our part of the province at least. These men, as the minister well knows, are not receiving very high remuneration, and it is quite a hardship on them to be cut this additional amount. I should like to have an explanation from the minister.

Mr. RHODES: I shall be pleased to look into any individual case which my hon. friend cares to submit to me and I may be able to give a specific answer with respect to it when we are in committee on the bill. But I may say to him at once that the general rule which has been applied without exception is this, that where an allowance has been construed as constituting a portion of the salary, that allowance is subject to the deduction the same as is the salary proper. Where it is not, and there are numerous cases where that is so, the allowance is not subject to deduction. As my hon. friend realizes, in the case of a rule to be applied generally there will be instances here and there where individual injustices may arise. That is impossible in the application of any general rule. However if the hon. member will tell me of any particular instances I shall be glad to give them special attention.

Mr. ELLIOTT: Mr. Chairman, I assume that all hon. members regret the necessity which has actuated the government in bringing the present measure before the committee. It is unfortunate they feel that again this year the cut is necessary. Last year I supported the reduction because I believed it should be made. At the present time I do not intend to enter upon the reasons which some of us think have contributed to making cuts of this kind more necessary in the last year or two than they otherwise would have been. Upon looking at the paper this morning I find that the bank debits for the month which has just closed are much less than they were for the corresponding month a year ago. The trade returns for the year ending January 31, 1933, indicate that the trade of Canada has declined greatly.

There is no use beating about the bush. Money must come from somewhere, and I believe it is time the government took not only the measure now proposed but even more drastic measures in order to bring our budget to a point where it more nearly balances than it did last year. At that time I urged, and I repeat to-day, I do not think it is fair that those who are receiving small salaries should receive anything like the same percentage of cut as those who are receiving, say, \$3,000 or more. Of course, some special consideration was given in connection with salaries under \$1,200. As I pointed out to the Minister of Finance last year that consideration would seem to indicate that in the minister's view the smaller salaries should not be cut to the same extent as are the higher ones. I cannot, for the life of me, see why the same rule should not apply to salaries over \$3,000 as compared with salaries under \$3,000 and salaries over