

*Salary Deduction Act*

Mr. CHEVRIER: May I differ from the Minister of Finance in his statement that the salaries, after the 10 per cent deduction will have expired next year, will be at the same level as though the deduction had not taken place? I am absolutely in accord with him when he says that this is not a salary reduction but a deduction. Had I considered it to be a reduction, I should have approached it from a different angle last year as well as this. I was satisfied that it was a salary deduction. It does not reduce the classification, but it deducts from that classification the sum of 10 per cent. The minister, however, forgets that last year these civil servants were entitled to statutory increases.

Mr. RHODES: Some of them.

Mr. CHEVRIER: Well, those who were entitled to statutory increases, did not get them; and those who were entitled to promotions did not get them. Except for a few items which I shall point out in the estimates when the time comes, promotions were stopped. It is not a fair deal that only certain civil servants should receive promotions and increases in salary. As a general rule, however, all promotions and all statutory increases have been stopped, though some promotions may have been made without increases in salaries. The minister is aware that statutory increases are given provided the employees by their conduct are worthy of them. But the vicious principle of the 10 per cent deduction is this, that when the salaries do come back to their 100 per cent a year hence, the civil servant forever will be minus the statutory increases he should have had; and if the government continues this for one, two or three years longer as conditions may warrant, then that civil servant will in the long run lose the benefit of superannuation on the basis of the higher salary that he should have received. Therefore, with all deference to the minister, it is a fallacy to say that when this act expires this or next year, the civil servant will be placed, during the infinitesimal period between the moment when the act expires and the next instant when the new act starts to operate, in the position that his salary will be exactly what it was last year. He is minus his statutory increases and also his promotion, and as long as this is kept up, the longer the injury to the civil servant will last. When these salary deductions cease, that is one point that will have to be impressed upon the government, namely, that some kind of recompense or salary readjustment will have to be made so that these statutory increases will not be left off and

[Mr. MacInnis.]

when the civil servant, five or ten years hence, is superannuated, he will not then lose the benefit of what should have been his higher salary by reason of his statutory increases. The minister understands what I mean, and I do not believe I need labour the point. If he does not see it, all he has to do is to consult the civil servants who themselves feel it and know what they will suffer in the long run, but I believe the minister sees the point.

Mr. RHODES: My hon. friend from Ottawa is not bringing to my attention any new phase of the effects of this bill. That particular matter has been most carefully considered, and there is no doubt that those civil servants who would otherwise be receiving their statutory increases will be affected.

Mr. CHEVRIER: And by more than ten per cent.

Mr. RHODES: I do not wish to refine words with my hon. friend. I simply wish to assert that my original statement is correct. The salary of these civil servants remains the same. All that it does do is to prevent an increase in salary, which is an entirely different thing.

Mr. RALSTON: The salary is the same but the pay is different.

Mr. RHODES: It has reference to a comparatively limited part of the membership of the civil service. Let me say just one last word. I have just as much sympathy for the civil service as my hon. friend from Ottawa, and I think he will be prepared to admit that, but we must not overlook the fact that there must be more or less a common sacrifice in these days, and while we are asking for a contribution of ten per cent from the civil service, the cost of living to-day is down twenty per cent as compared with four or five years ago. Relatively the civil servant in the city of Ottawa has much to be thankful for as compared with the tens of thousands of those who hitherto have been regularly employed but who to-day are in want and seeking relief. We are dealing with an extraordinary situation because of extraordinary world conditions, and we must always bear that in mind in discussing a measure of this kind. I might add that it is just a question whether we might not have been wiser to have asked for a larger contribution. I have had just as much criticism for not having sought to take more than ten per cent as I have had over this measure.

Mr. EULER: Why call it a contribution at all? You are taking it.