

strength would be correspondingly higher than last year. Depending on the vacancy rate experience, that could be somewhere around 218,220.

Senator HAIG: In other words, you have increased your approved establishments by 10,000?

Dr. DAVIDSON: Yes.

Senator CHOQUETTE: How long could that go on?

Dr. DAVIDSON: The population of Canada is 20 millions, senator.

Senator SMITH (*Queens-Shelburne*): What is the estimated cost of that additional 10,000 persons working for government?

Dr. DAVIDSON: The payroll cost is only a part of it. I am just guessing here, but I think it would be a conservative guess to estimate that the average salary will be not less than \$5,000.

Senator HAIG: Dr. Davidson has not included Crown corporations.

Dr. DAVIDSON: I have not finished, because other questions came in between. We estimate that our fringe benefit costs represent 28 per cent of our salary costs, so you can add 28 per cent to your salary costs. That includes superannuation, liability and all the rest of it. That in turn does not include housing and support costs; and the fact is that if you hire a civil servant at \$5,000 with fringe benefits, you have to put him somewhere, and if you have 10,000 additional, it means renting more buildings or building more buildings, and acquiring more furniture and all the paraphernalia of the extra infrastructure that is required to get work out of 10,000 additional people.

Senator GROSART: The common figure in business is two and a half times.

Dr. DAVIDSON: I am glad to get that figure. This will give you some means by which you could translate the 10,000 additional civil servants averaging \$5,000 a year salary into an over-all cost.

Senator HAIG: Is the increase of 10,000 normal for each year in the past four or five years?

Dr. DAVIDSON: I would not think it goes back that far, Senator Haig. I can give you the 1965-66 figure, when 219,606 was approved. But prior to 1965-66 my recollection is that the figures ranged between 210,000 and 215,000.

Senator HAIG: Then you are not increasing at 10,000 a year?

Dr. DAVIDSON: Not over the long-term average, but it has increased over my lifetime on the Treasury Board—and I do not want you to blame me. Over these last three years there have been a variety of large programs introduced, such as the Canada Pension Plan, which is the first one that comes to my mind—the Guaranteed Minimum Income is another. Each time you introduce one of these you create new staff requirements. There has been, for example, a drastic reorganization of the Manpower Service, the former National Employment Service. We have pumped large numbers of additional staff in there in order to meet the criticism advanced and levelled against the Government of the inadequacy of the service rendered through the Manpower Service.

Senator DESCHATELETS: Have we reached a stage, in your opinion, where salary increases over the past five years have reached a point in 1967 to where the civil servant is at the same level as the person outside who has the same responsibility?

Dr. DAVIDSON: You will have to take my opinion, Senator Deschatelets, with a grain of salt, but it has to be my opinion in the position that I hold, that we are paying competitive salaries with the outside market so far as the vast majority in the Civil Service are concerned.