Now let us look at the member's salary. Mr. Beaupré suggested a top salary for members of $25,000. That was his proposal and the proposal of his colleagues. They were unanimous on this. The present proposal is $18,000. I do not know where all the figures come from which have described this increase. To me it represents a salary that is 50 per cent higher than the $12,000 we have lived on since 1963. To find out how much of an increase that is, I looked at the compound interest tables. It represents an increase of slightly less than 5 per cent per annum. I heard and read so many figures that I thought I would look at the compound interest tables. At 5 per cent per year you will have, at the end of eight years, 1.47 of the original. So that here you have an increase that is a hair under 5 per cent per annum—if we pass it. However, if as suggested in this House we do not pass it and if we employ, as we have in the past, the Chicago garbage disposal system for salaries, that is, kick them around until we lose them—

Some hon. Members: Hear, hear!

Mr. Deachman: —then the increase for members since 1953 will have been from $8,000 to $12,000, the amount we got in 1963. That will be a 50 per cent increase from $8,000 in a period of 18 years. Let us see what the compound interest tables say about that increase. A 50 per cent increase over 18 years—I want to be accurate about this because there has been very little accuracy in the figures quoted—will be brought about by an annual increase of 2.5 per cent. That will have been the rate if we do not pass this bill. If we decide to let it go and leave it to the next Parliament to decide, the yearly increment for the member who came here in 1953 will have been 2.5 per cent. That is where we stand.

The problem is that we have heaped no end of troubles on ourselves in this House by postponing the regular revision of salaries until this "shocking" increase was required to adjust our salaries to a simple 5 per cent per annum rate, which we will have achieved over the last 18 years if we pass the current increase. But the rate will remain at 2½ per cent if we do not.

There is one more point that I should like to deal with because it is pretty often distorted. The expense allowance that we receive is not unique in Canada, as some people would lead you to believe. Members of other legislative assemblies and hundreds of municipal councillors receive tax free allowances which are recognized under the Income Tax Act. There are, I venture to say, thousands of people in Canada at other levels of legislative service whose expenses are recognized in this fashion. I do not know of any immediate intention by the government, or as set out in the white paper, to remove those expense allowances. There is no mention of that in the policies of the government with respect to tax reform. There is no intention to strip these people of their tax free allowances and nowhere is it said that they must receive their expenses for rendering public service in some other form.

Some people have said that this increase is too much. Of course, even 5 per cent looks too much if we let it pile up for eight years or if we do not adjust matters for another 16 years. It is said that this increase is inflationary. If other salaries and wages in our economy had increased at the rate that ours is increasing, John Young would not have a thing to say and probably would not even have been hired.

Some hon. Members: Hear, hear!

Mr. Deachman: I do not know why there is all this applause from my side of the House, because that is so.

It is said that we are greedily using our parliamentary power to inflate our own salaries. Mr. Speaker, we hired a commission which recommended a salary of $25,000. We in this House are talking about $18,000. That has been our decision, whereas outsiders decided that our salaries ought to be $25,000. It is said that we should not raise our salaries while there is unemployment, or until we raise pensions, until we check inflation, until the next Parliament is elected or until Utopia is here.

I agree that there is no good time to raise the salary of a Member of Parliament; but we know that we cannot escape this question forever. If we wait for another two years the increase will need to be 60 per cent in order to achieve a 5 per cent per year increment. If we postpone dealing with this matter from year to year for one good reason or another that is given in this chamber, we will eventually find it almost impossible to bring parliamentary salaries in line with other salaries in the economy or with salaries in other legislatures. We are already falling behind them; we are in third place.

It is said that we should set up an independent tribunal to deal with our salaries or to hitch this increment to public service salary increases. This would not relieve us of the duty, of course, of voting for the increases out of taxes, nor would it bury parliamentary debate or public criticisms on the subject: it would still be there. On the other hand, it would put us in the curious position of accepting public service rates of increase which the public service had achieved from Parliament after bitter bargaining or even after strikes. For those reasons I believe that we must always settle our own salary adjustments in this chamber.

• (9:10 p.m.)

Some hon. Members: Hear, hear!

Mr. Deachman: Perhaps we could best do this, Mr. Speaker, by building into this bill a clause which would automatically refer the matter to Parliament in the first session of each new Parliament. This would guarantee more regular revision. The automatic feature would overcome the squeamishness of members to deal with the subject or to get involved in the debate. Regular revision would quickly become understood by the public and, I think, eventually accepted.

I hope this idea will receive the attention of the committee when it examines the bill. I believe it will help to bring some reason and sanity into a discussion which has been unreasonable, unrealistic and frustrating since confederation.

Some hon. Members: Hear, hear!