

*Senate and House of Commons Act*

take three years to reduce unemployment to 4 per cent. I do not believe anybody in this House would accept 4 per cent as a reasonable level of unemployment. The reason for that, Mr. Speaker, is that economic recovery may cure some of the cyclical unemployment but we will find that structural unemployment, because of cybernation and automation, will still be with us. Much of the money the government is granting to large corporations is going into equipment which will require fewer employees, and the problem of the future is how to provide income for the many individuals for whom there is no place in the work force.

If Parliament had dealt effectively with the problems I have outlined, Mr. Speaker, we as parliamentarians might, in good conscience, have turned our attention to our personal financial problems. Since we have failed to do so, I am afraid we present a poor image to the country when we do for ourselves what we have failed to do for the much more needy groups in our society.

My first reason for opposing this pay hike, therefore, is that I think this is the wrong time to pass such legislation. In view of the policy of austerity which the government has been pursuing this is not the time to substantially increase the remuneration for parliamentarians.

My second objection to this legislation arises out of the fact that I am completely opposed to the \$8,000 tax free allowance. One of the things that pleased me about the report of the Beaupré committee was that it suggested doing away with the tax free allowance. I think much of the complaint by the general public is not so much against increasing the remuneration of Members of Parliament, providing it is a modest increase, but rather it is with the fact that Members of Parliament are being given a privilege not enjoyed by any other group in our society, namely a stated sum of money which is exempt from income tax. This is a special privilege not enjoyed by other professional groups such as doctors, lawyers, or dentists nor is it enjoyed by self-employed persons. It is a special privilege which parliamentarians have given to themselves. Governments have usually been chary of tax exemptions.

Under the Income Tax Act, the tax exemption is \$2,000 for a married couple and \$1,000 for a single person and, in my opinion, this is a ridiculous situation. Prior to World War II, when a dollar had two or three times the purchasing power of a dollar today, the exemption under the Income Tax Act was \$3,000 for a married couple and \$1,500 for a single person. We have kept these very low exemptions with the result that even old age pensioners who get the supplementary income find themselves paying taxes. I think, Mr. Speaker, that we ought to abolish, as the Beaupré committee report recommended, the granting of any tax-exempt sum of money to Members of Parliament. If that were done, I think a small increase in the \$12,000 indemnity which we now receive would be justified.

● (4:10 p.m.)

I think the figure recommended by Beaupré is too high. A modest increase would be justified, but I do not think

we could justify continuing to have a tax free allowance of \$8,000, \$6,000 or any other figure, particularly in view of the fact that the Beaupré committee recommended its removal. The Beaupré committee's recommendation was much more sensible. They suggested that Members of Parliament be allowed certain expenses which would permit them to service their constituencies, but only that which they had spent and could prove by the submission of vouchers. This would have been fair for two reasons. It would have put us in the same position as other groups in society. Doctors, lawyers, dentists and others who hire a secretary and an office are allowed that expense. Firms are allowed to reimburse travelling salesmen, book agents and insurance agents for their travelling and out of pocket expenses provided they supply vouchers. We would be in the same category as other taxpayers. I think this procedure would commend itself to the people of Canada.

It would also be fair as between the various Members of Parliament. There are great differences in constituencies. There is a great deal of difference in the cost of looking after the interests of constituencies in the rural areas, such as those represented by the hon. member for Comox-Alberni (Mr. Barnett), the hon. member for Coast Chilcotin (Mr. St. Pierre), the hon. member for Churchill (Mr. Simpson) and the hon. member for Skeena (Mr. Howard). These constituencies cover several thousand square miles. The communities are inaccessible and can only be reached by boat or chartered plane. There is a great difference in the cost of servicing that type of constituency and an urban constituency that may only be one or two miles square. There are expenses in urban constituencies, but they are of a different kind. The only way to make it fair to all concerned would be to pay for the actual expenses incurred.

The same is true with reference to the distance that a member's constituency is from Ottawa. There is a great deal of difference between looking after a constituency where you would have long distances to travel, two homes to maintain, two light bills, two telephone bills and two cars and a constituency that can be serviced from Ottawa with no great difficulty. In fact, members in Ottawa can service their constituency from their homes and the Parliament Buildings. I do not say that to criticize any member or any group of members. I simply ask, why should we treat the expenses alike when the costs of servicing the constituencies are not alike? Why not reimburse the members for what they actually spend in servicing their constituencies?

The Beaupré committee report recommended that the expense of travelling within the constituency, providing office accommodation and some staff in the constituency ought to be covered. Most of the cabinet ministers I know are able to maintain an office and staff in their constituencies. I do not complain about that. I think they need it. The members also need it. The constituents would be better served if there were an office to which they could send their complaints, where the member could meet them and where there would be staff to arrange for interviews with members when they are in the constituencies over a weekend or during a recess.