

have no objection. However, it seems to me that, with the explanations that have been given, this is not necessary. I therefore move that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

SENATE AND HOUSE OF COMMONS ACT

BILL TO AMEND—SECOND READING— DEBATE ADJOURNED

Hon. Paul Martin moved the second reading of Bill C-242, to amend the Senate and House of Commons Act, the Members of Parliament Retiring Allowances Act, and An Act to make provision for the retirement of members of the Senate.

He said: Honourable senators, I wish to make some comments in proposing the adoption of Bill C-242. This matter has been the subject of discussion in and about Parliament for well over a year. It will be recalled that the Government appointed a Committee on Parliamentary Salaries and Expenses to look into the matter. The report of that non-parliamentary committee was completed on November 16, 1970.

The bill, therefore, has been put forward only after much consultation and careful investigation by this outside committee. The matter has also been considered by a committee in the other place.

The bill provides for an increase in the sessional allowances for members of the Senate and the House of Commons. It provides for an increase in the allowances of members of the Senate and the House of Commons for expenses incidental to the discharge of their duties as members. It widens the authority of the Senate and the House of Commons regarding actual moving, transportation, travelling and telecommunication expenses to be allowed during the course of a session.

It amends the Members of Parliament Retirement Allowances Act and an act to make provision for the retirement of members of the Senate to provide for adjustments in the contributions and benefits under these acts.

By this bill the indemnity is increased to \$18,000 for members of both houses. The expense allowance for members of the House of Commons is increased from \$6,000 to \$8,000 and that of senators from \$3,000 to \$4,000.

The bill amends the Members of Parliament Retirement Allowances Act. These amendments, I would point out, do not provide for an increase in either the contributions of the pensions payable as a result of the proposed amendments to section 33 and 44 of the Senate and House of Commons Act.

As the leader of the house in the other place pointed out, the amount of contribution which a member pays is a percentage of his sessional indemnity, as defined in paragraph (2) (1) (d) of the act. This being the case, there is no change in the level of contribution or the pension as a result of the increase provided in the bill; that is, the increase in the indemnity and in the allowances. Conse-

quently, it is necessary to amend the sessional indemnity so that contributions will be made only on the net \$18,000 for members of the other place and \$15,000 for senators.

Another way of putting this particular necessary provision in the bill is to describe the amendment as one that maintains the present situation, the status quo, both as regards the amount of contribution and the maximum pension provided, so that a senator will continue to contribute on \$15,000 only.

In order to meet that objective, it will be necessary to amend the definition of the sessional indemnity. This is done by an amendment to the Members of Parliament Retiring Allowances Act. As I have indicated, for the purpose of this particular amendment the basic amount in the case of members of the House of Commons is with regard to the figure of \$18,000. It should be noted that a senator who comes under the 1965 act, which makes provision for the retirement of members of the Senate, has been contributing on \$12,000 sessional indemnity alone.

The bill provides that a senator who comes under that act will continue to contribute and have his pension calculated on the basis of \$12,000 instead of the new allowance of \$18,000. There is no change in the rate of contribution proposed and, as I said a moment ago, there is no change in the amount of pension received by a member of either house.

Now, there has been much discussion with respect to this question, one which the Government has approached with care, having in mind the concept of the role of Parliament and the obligations of members who serve in both houses. In doing so it has taken into consideration the observations made in the non-parliamentary committee and those made from time to time by members of both houses. It has also taken into account statistics that have attended the remuneration of Canadians generally over the past eight years.

It must be noted that there have not been any increases in the sessional indemnity for almost eight years. On an annual basis, the increase is a little more than 6 per cent. Between 1963 and 1970 the average weekly salaries and wages for all wage earners and salaried employees in the industrial complex rose 52.2 per cent, as compared with 44 per cent for members of Parliament.

The salaries of economists rose between 45 and 50 per cent. The salaries of engineers 50 per cent. The salaries of university professors increased between 63 and 68 per cent. If the increases that are proposed in this bill had been taken on an annual basis, they would not be out of line with other comparable occupations. For instance, the average annual increase for managerial personnel between 1967 and 1969 has been between 7 and 9 per cent. Engineers and statisticians have experienced pay increases averaging 8.6 per cent and 7.1 per cent in 1969 and 1970. Many public servants in the upper brackets receive higher salaries as, of course, do many executives in industry. Members of the Canadian Parliament are paid much less than senators and members of the House