

*Senate and House of Commons Act*

possibilities. One is, as I have already suggested, that the salaries and allowances of members could be tied to some category in the public service. Another is that some independent body outside of Parliament might periodically review parliamentary remuneration.

I know that in one province a committee was set up, headed by the Chief Justice of the province, and its recommendations were accepted without question, not only by the members of the legislature but by the public generally. It may be that the President of the Exchequer Court could head such a committee, or that the Chief Justice of Canada could head such a committee. I think we ought to apply ourselves at this time to the problem of how we can remove from the House of Commons this responsibility which all of us find most distasteful.

I am opposed to this legislation for two main reasons. The first is that the proposed pay hike comes at an inopportune time when the government is asking the people of Canada to tighten their belts. For three years, the government has been following a policy of austerity. The government has frozen old age security pensions at \$80. Sometimes people say to us, with some scorn in their voices, that we raised the old age pension by 42 cents. We did worse than that, Mr. Speaker. We actually reduced the pension by \$1.17, an amount by which it would have increased on January 1, 1971, if we had left the legislation alone. We did even worse than that. We removed the 2 per cent cost of living bonus which the old age security pensioners had been receiving. The result is that they are the only group of pensioners who do not have a cost of living bonus.

In spite of what the Prime Minister (Mr. Trudeau) said last December, to the effect that inflation no longer exists in Canada, unfortunately it still exists in this country. The increase in the cost of living for the first three months of this year was the greatest in the past decade. If the cost of living continues to rise the \$80 a month old age security pension will steadily diminish in terms of what it will buy in the stores. The government and many of its officials are calling for restraint by wage and salary earners. Dr. John Young, the Chairman of the Prices and Incomes Commission, is asking that wage earners keep their demands for increases this year down to somewhere around 4 per cent or 5 per cent. Mr. Louis Rasminsky, the Governor of the Bank of Canada, has gone one better. He suggests that salaries and wages ought to be reduced in order to wage war against inflation. I ask the members of this House what sort of image will Parliament create if we are asking wage and salary earners to restrain their demands while at the same time we endorse an increase of around 44 per cent in the remuneration which parliamentarians receive?

How much credibility will the government have when it makes appeals, as it undoubtedly will in the next few months, to organized labour to be more moderate in their demands? And what about the unorganized workers? Two thirds of the workers of this country do not belong to trade unions, and they have no economic leverage to off-set inflation. These days many people are saying that parliamentarians are out of touch with reality, that Members of Parliament live in an ivory tower, that we are

[Mr. Douglas.]

untouched by the woes and tensions which beset the average citizen. I ask members of this House to what extent will the passage of this bill disabuse their minds of this unfortunate attitude?

• (4:00 p.m.)

I think we must also look at this measure in the light of that great section of the Canadian people who are poor and disadvantaged. About 100 years ago Benjamin Disraeli wrote a book about "The Other England" in which he referred to the two nations, the nation of the well-to-do and the nation of the poor. In the same way, Mr. Speaker, there are two Canadas. There is the Canada that we often tend to forget. The Economic Council of Canada, the National Council of Welfare and other bodies have pointed out that between 20 per cent and 30 per cent of the Canadian people live below the poverty line. In other words, there are between four and six million Canadians who do not enjoy even a decent standard of living. The National Council of Welfare has pointed out that of this number some one and a half million of the poor are members of families which have no employable member or which are fatherless because of death, desertion or divorce. There are another half million members of families of which the breadwinner has no job, and there are between two and four million people who are employed but earning less than is required to meet the needs of their families and themselves. When we add to this total the aged, the veteran pensioners—with whom we have been most niggardly in my opinion—and the primary producers, such as small farmers and fishermen, particularly from the east coast, it means that probably one-third of the population of this country lives either in a state of poverty or in a state of deprivation.

I am not suggesting for a moment, Mr. Speaker, that MP's salaries can be set on the basis of the income of the poor, but I do suggest that until we take steps to remedy their condition we present a poor image in dealing with our own income. What has the government done? The government's so-called welfare program and the white paper on income security are predicated mainly on redistributing poverty, taking from the not-so-poor in order to give minimum aid to those who are very poor. The government has never recognized the need for a redistribution of income as a means of stimulating effective economic demand. We spend hundreds of millions of dollars in assisting large corporations instead of putting purchasing power into the pockets of potential buyers. It is noteworthy that the Canadian Labour Congress has been urging the government to set up a guaranteed annual income. The last report of the National Council of Welfare indicates that a guaranteed annual income is not only desirable but is economically possible and feasible. I am convinced, Mr. Speaker, that eventually in Canada we will be compelled to set up a guaranteed annual income, if not on humanitarian grounds at least on economic grounds, because automation is steadily eroding job opportunities.

The Chairman of the Economic Council of Canada, Dr. Arthur Smith, has said that even if we can increase our rate of growth to 6.75 per cent in constant dollars, it will