

of course, the past Auditor General, Mr. J. J. Macdonell, who retired last year. He will be the beneficiary of the retroactive provisions of this bill. As I calculate it, Mr. Macdonell will be receiving a retroactive bonus, as soon as these measures are worked through the system, of about \$10,000.

It is all very well to talk about these high salaries, but I think we must have a basis for comparison. I checked through some records which were available to me to see what this kind of salary might compare with and whether it was a reasonable salary or not, since it certainly sounds high to some people. I referred to the report of the commission to review salaries of Members of Parliament and Senators by Dr. McIsaac and the Hon. Leon Balcer. The recommendation in that report is that ministers of the Crown should be paid a salary for their position as ministers and another salary for their position as Members of Parliament, for a total as of April 1, 1980, of \$80,000. To that figure of last April 1 must be added a 7 per cent escalator which is in the legislation. Of course, this is dependent on the legislation being passed, so it is hypothetical at the moment. That 7 per cent increase would bring salaries of ministers to \$85,600 this month, which is almost parallel with the \$86,600 this bill would provide to the Auditor General.

I also made a comparison of the amount paid to an SX-4, which is just about the deputy minister level. As near as I can calculate it, an SX-4, just below the deputy minister level, would now be earning about \$77,000, possibly \$78,000.

I did another comparison with respect to salaries of people who might be in the executive category, and so on, elsewhere in the country. I found that the president, the chief executive officer of Westcoast Petroleum, receives a base salary of \$110,000. At the other end of the scale, the highest paid executive in Canada that anyone has been able to find so far is Mr. Sinclair, chairman of Canadian Pacific Limited, whose base salary is \$568,000. So one can see that there is a fair range of opinion in industry as to what certain executive officers are worth.

**Mr. Knowles:** You mean, what they get paid.

**Mr. Clarke:** As my hon. friend to the left says, what they get paid. The shareholders or taxpayers had better think these people are worth what they are paid or else there may be some changes made.

I also thought it would be useful in establishing a base salary for our new Auditor General to make a comparison with what professionals like him might be earning if they stayed in the profession from which Mr. Dye comes. He was a senior partner in a national firm of chartered accountants stationed in Vancouver. I found that chartered accountants in British Columbia who graduated about 20 years ago, in the period from 1959 to 1965, were earning an average of \$69,000. If they had left British Columbia to live elsewhere they were earning an average of \$77,000. The older vintage of chartered accountants, those who graduated in the 1950 to 1958 period, were earning an average of \$70,000 in British Columbia and \$88,000 if they had left British Columbia. I cannot tell from

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the survey done by the Institute of Chartered Accountants of British Columbia whether those figures apply to members who remained in practice or to members who went outside. I know something of the profession and those who practise as partners in large firms. I think it is safe to say that our new Auditor General, Mr. Dye, is certainly making a financial sacrifice to come and be the servant of Parliament. I think that is true not only of Mr. Dye but of the judges whose salaries he is tied to. I am sure it is true of a great many, if not all, of our deputy ministers who work for the government and the taxpayers, although the taxpayers may sometimes have cause to question that.

Recently we hired a chief financial officer for the Government of Canada, the Comptroller General. He is rated as a DM-3, which is the highest ministerial salary range. The medium salary range for that post right now is \$77,300, with a maximum of \$85,000.

I think it can be seen that the proposal in this bill to tie the new Auditor General's salary to that of the judges' salaries is not unreasonable, although it seems that way to many people. I would now like to ask myself and the House why it seems unreasonable to have these very high salaries. If we look back in time we can see that not so many years ago very high salaries like this were not in existence at all. As recently as eight years ago, when I came here as a member, the salary was \$18,000. It is now nearly double that amount. I can very easily lay the blame or the reason for all of that on the fact that government policies have made it necessary for people to get these very high salaries, that these very high salaries would not be necessary at all if it were not for inflation caused almost completely by the government's fiscal and monetary policies. Only the government has the power to overspend by the billions of dollars, something which has become a habit in recent years. Only the government has the power to increase the money supply, thus creating this terrible inflation which has caused endless problems in Canada today. This month in Ottawa there was a very important conference on pensions. That conference was a direct outflow of the inflation caused by policies of this government opposite.

● (1230)

We can look back to the days before the present administration took office in this country when inflation was almost negligible and interest rates were very much lower than they are today. People could borrow from the banks at 6 per cent or less instead of three times that rate now. Of course, one cannot expect people to invest their money with financial institutions at a rate of interest which will cause them to fall behind the rate of inflation and actually suffer permanent loss of purchasing power. That results directly in higher interest costs for individuals who want to borrow for personal or housing purchases, because investors in our society insist upon receiving a rate of interest which reflects the current rate of inflation and also compensates them for the temporary loss of spending power. Then, of course, banks and other financial institutions must have their spread in the middle to cover their operating