



House of Commons  
CANADA

# Standing Committee on Procedure and House Affairs

---

PROC • NUMBER 021 • 1st SESSION • 38th PARLIAMENT

---

EVIDENCE

**Thursday, February 17, 2005**

—  
**Chair**

**The Honourable Don Boudria**

All parliamentary publications are available on the  
"Parliamentary Internet Parlementaire" at the following address:

**<http://www.parl.gc.ca>**

## Standing Committee on Procedure and House Affairs

Thursday, February 17, 2005

•(1105)

[English]

**The Chair (Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.)):** Order, please. The committee will come to order.

Pursuant to the reference of Thursday, December 9, 2004, Bill C-30, An Act to amend the Parliament of Canada Act and the Salaries Act and to make consequential amendments to other Acts is the issue before us this morning.

[Translation]

Our witness is the Honourable Tony Valeri, Leader of the Government in the House of Commons.

[English]

I understand we also have officials from the Privy Council Office with us, Mr. Wayne McCutcheon, the deputy secretary to the cabinet.

Mr. McCutcheon, welcome. It's good to see you again, sir.

[Translation]

We also have Ms. Ginette Bougie, Director, Compensation Policy and Operations, Senior Personnel and Special Projects Secretariat.

[English]

Minister, do you have a brief statement that you would like to make with us before members ask questions about the bill?

Minister.

**Hon. Tony Valeri (Leader of the Government in the House of Commons):** Thank you very much, Mr. Chairman.

I would just like to say a couple of things. First, I'm very pleased to be here, and thank you very much for this opportunity. Second, I'd like to introduce Céline Laporte, who is the manager of information, marketing, and client services at the Department of Human Resources and Skills Development; and Ron Wall, who is the director of parliamentary affairs in the Privy Council Office.

I'll go right to our present circumstance. As all members understand, under the current legislative regime, parliamentarians' salaries are linked to increases in judges' salaries. There was a public commitment made that the changes in parliamentary compensation would and should reflect the average wage changes of Canadians, and the bill before us follows through on that commitment. It essentially links parliamentarians' compensation to changes in the Department of Human Resources and Skills Development private sector wage settlement index.

The index itself is a measure of the average annual salary increases that are negotiated by collective bargaining for private sector units with 500 or more workers. The index itself covers 431 collective agreements for slightly more than 800,000 employees across Canada. The index is published every February and it documents the wage changes that occurred during the previous calendar year.

I would also like to point out to members of the committee that it is recognized as an authoritative index. It's used by governments, private sector employers, and unions in collective bargaining discussions. The information in the index is captured and provided to more than 7,000 clients a year, including banks, major professional and legal service providers, academic institutions, and unions, including the Public Service Alliance of Canada, the Teamsters, the Canadian Auto Workers, and the Confédération des syndicats nationaux.

In my view, linking future salary increases for parliamentarians to this index is the right thing to do for three reasons. First, I believe it's a fair way to ensure that parliamentarians' salaries are adjusted in line with salary changes of Canadians. Second, it does so by relying on a known, respected, and relatively predictable index. As I said, the index is used widely in the compensation field and in negotiations by both employers and unions, and in your briefing books you would have seen a list of clients who use this index as well. Third, it allows us to refer to salary changes for the private sector alone.

I think this is an important point. It's appropriate, since the government negotiates with public service unions and other groups, to set their salaries. Parliament, we all know, sometimes has to legislate public sector wages, so we didn't want to find ourselves in a situation where we were legislating public sector wages and at the same time were tying our salaries to that legislated public sector wage.

As I've said, the bill follows through on the commitment we've made to de-link increases in parliamentary salaries from those received by judges. As parliamentarians, we now have the opportunity to, in what I think is a very straightforward way, link future increases to those received by Canadians in the private sector. I think it's the right thing to do and I'm hoping committee members will agree.

Mr. Chairman, I'm certainly prepared to take some questions, but that is all I'd really like to say at this point.

•(1110)

**The Chair:** Thank you very much, Minister, for this succinct presentation.

I should have mentioned to colleagues at the beginning that at the end of our deliberations today I would like maybe five minutes to review the report pursuant to what we did at the last meeting—maybe that's obvious—on the matter involving privilege, so we can adopt it and send it to the House. I'll bring that back at the end of the meeting. It's a very brief report.

If we can, let's proceed with questions.

Mr. Johnston, you indicated you would like to ask a question.

**Mr. Dale Johnston (Wetaskiwin, CPC):** Yes. Thank you, Mr. Chairman.

Minister, I went through this. I must admit I didn't read everything word for word, but I was particularly looking to see when this comes into force. In section 22, it says, "This Act, other than sections 16 to 21, is deemed to have come into force on April 1, 2004." Then the explanations say this act is coming into force retroactively on April 1, 2004.

Does that mean, then, there will be an adjustment to the salaries of members of Parliament for 2004, retroactive ten months? If so, what's it going to be based on, and how much?

**Hon. Tony Valeri:** I'll reply, and then perhaps Mr. McCutcheon might want to add some comments.

The reason for retroactivity to April 1, 2004, is that as you know, the salaries are tied to the Judges Act. The Judges Act takes effect April 1, 2004, so any change that we would see... If the recommendations that came out of the quadrennial commission, for instance, were to be approved, and this legislation is not passed or linked to that same date, we would have a gap between the quadrennial report taking effect April 1, 2004, and new legislation that would come into force at some other time. So the reason to deal with the de-linking of one index and re-linking to another is to ensure that you are doing so at the same time. That's the reason for the retroactivity.

The change in members' salaries, I believe, would be about \$200, if I'm not mistaken, so members would receive an additional \$200, going back to April 1. That's for the entire year, so it's a minimal change, and it has to do with the index that exists for this new index we're linking to. That is 1.5%. Members would have received a 1.3% increase as a result of the industrial wage settlement index, which we're linked to now; the differential between the two is 0.2%. The amount would be \$200. It would be retroactive to April 1, so that there is consistency in de-linking from one and re-linking to the other.

**Mr. Dale Johnston:** I did actually see that part in here, that 0.2%, but it wasn't clear to me. The increase would be \$200 per year?

**Hon. Tony Valeri:** Well, it would be \$200 for the year 2004.

• (1115)

**Mr. Dale Johnston:** Yes, okay, up to when this legislation takes place...no, because the legislation is retroactive to April 1, 2004....

**Hon. Tony Valeri:** You would have a \$200 increase beginning April 1, 2004. It would take you to March 31 of this year, and then you'd see where the index is for the following year.

**Mr. Dale Johnston:** Okay. That's good.

**The Chair:** Thank you very much, Mr. Johnston.

Monsieur Guimond.

[*Translation*]

**Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ):** Thank you, Mr. Chairman.

Mr. Minister, I know your political past, and it seems to me you weren't in Cabinet when it was resolved, following negotiations between the parliamentary leaders of all the parties—I believe our Chairman was Government Leader at the time, the one who coordinated the discussions and the negotiations between the parties—to link parliamentarians' salaries to those of judges. The idea was to avoid a salary catch-up situation like the one we had experienced in 1996 or 1997, I believe. At the time, parliamentarians had to vote themselves a significant salary increase.

Mr. Minister, do you know why the parliamentary leaders of the time linked parliamentarians' salary increases to those of the judges, thus preventing parliamentarians from voting themselves their own increases? Do you know why we were hitched to the judges' wagon?

[*English*]

**Hon. Tony Valeri:** Mr. Chairman, as Monsieur Guimond has suggested, I was not in cabinet, so I was not privy to the cabinet discussion or debate that went on at that time.

We've certainly gone through a change with respect to the salaries of parliamentarians. If I'm not mistaken, Bill C-28 was the legislation that actually took us from the taxable and non-taxable parliamentary wage scheme to one that moved us to a completely taxable wage and then linked us to both the industrial settlement index and the judges' salaries.

Essentially, that system and that process do achieve a certain objective in that you do not directly vote for your increase. You vote for an increase in judges' salaries, but indirectly, by voting for judges' salaries, you are in essence voting for your own increase in salary.

If the intent of this legislation before us is to ensure that members of Parliament will not be voting on their own salary, yet their increases in salary will be reflective of what Canadians on the whole achieve in increases, then this legislation meets that objective and that's why it's before us.

I don't think it's any longer an issue of catch-up, which may have been the case with the prior legislation. Members of Parliament's salaries are at an amount today that is reflective of the work members of Parliament do. I think the issue now is to ensure that members keep pace rather than an issue of having members catch up. That's why you see this legislation before you.

•(1120)

[Translation]

**Mr. Michel Guimond:** I know it's not a question of catch-up. I know we shouldn't vote for our own salary increases. I understand all that. I want you to tell me why we want to break the existing link between parliamentarians' salaries and those of the judges. The purpose of Bill C-30 is to unhitch us from the wagon of the judges' salary increases.

Remember the arguments that were made at the time. First, it was said that the Prime Minister should earn the same salary as the highest official he appoints. Who is the highest official or the most important official the Prime Minister appoints? In this case, it's a woman: it's the Chief Justice of the Supreme Court. That was the benchmark. Second, it was said that ministers should earn 25 percent less than the Prime Minister and that members should earn 50 percent less than the Prime Minister.

The best evidence of that is that our present Speaker, who was the Leader of the Government, managed to convince all the parliamentary leaders of that and to have the bill passed. Today I would like you to explain to me why we want to break this link.

Does it have something to do with the presentation of the quadrennial report, which anticipated an increase of slightly more than 10 percent in the judges' salaries over four years? Does it have something to do with the fact that the Prime Minister is a multi-millionaire? That was a political comment.

[English]

**Hon. Tony Valeri:** I'd say that was a political comment.

I think it's very clear that parliamentarians' compensation is presently linked to judges' compensation. This legislation will link parliamentarians' compensation with what Canadians receive. I don't have any difficulty at all defending that position to any Canadian, whether they're in Quebec or British Columbia or Ontario. While you might argue that parliamentarians' salaries should be linked to judges' salaries, I feel quite comfortable in making the argument that while parliamentarians do very, very important work, the salaries they receive are important considerations for Canadians, and linking increases of parliamentary salaries to what Canadians receive on average, through an index used by many, many different sectors in our economy, is something that, frankly, I can defend every step of the way. We may have a difference of opinion; you may want to link to the judges. I'm suggesting, and I'm hoping, that the committee agrees ultimately that our increases in salary should be linked to the average wage increase of Canadians. And that's the reason for the—

**The Chair:** Next question, Monsieur Godin.

[Translation]

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Thank you to the Government House Leader for coming and making this presentation.

Here's what's a problem for me. At the time the Chairman of our committee was the leader in the House of Commons, he managed to convince all parliamentarians of all parties that the Prime Minister of Canada should receive the same salary as the Chief Justice. That was a good argument indeed. I remember that because I was the NDP whip at the time. The system was put in place—I don't think it was a political question—but, when that 10-percent increase was an-

nounced, the Prime Minister got scared. He began wondering what Canadians would think of us. He then went back into his shell and said to himself it might lose his party votes in the election. Well, I don't know what he really thought.

In fact, 10 percent over four years means 2.5 percent, which isn't enormous. It's true it's Canadians who elect the members. However, as a result of the way we are judged by society, only 13 percent of the population think we're good people.

Nevertheless, the public service wage increases vary around 2.5 percent per year. We want to undo the arrangement linking the salary of the Chief Justice to that of the Prime Minister. I don't think it's a good arrangement. You yourself, Mr. Valeri, told us you thought it was valid.

I'd like to know what the judges have that we don't: they interpret the law that we make. What are your arguments?

•(1125)

[English]

**Hon. Tony Valeri:** To begin with, when the other legislation was brought forward, I believe the previous House leader was working specifically from the unanimous recommendation of the Lumley commission report. So the rationale was laid out essentially in the Lumley commission report.

The rationale today is essentially to link the salaries of parliamentarians—ministers, prime minister—to that of the average of Canadians. That's the essential premise of the legislation.

The suggestion of the 2.5% per year is not really correct. What the quadrennial commission brought forward was a 10.8% increase on April 1, 2004.

**Mr. Yvon Godin:** For the next four years....

**Hon. Tony Valeri:** But the whole 10% increase is actually triggered on April 1, 2004. On top of the 10.8%, you would then have about a 1.3% increase through the industrial wage—

**Hon. Tony Valeri:** I think we should make a distinction here when you say, Monsieur Godin, that judges will only receive the 10.8% if in fact the amendments to the Judges Act are approved by Parliament. The quadrennial report is essentially that. You have a report from a commission that gets tabled in the House, you have a response from the Minister of Justice, but you would have legislation to follow in order to implement the quadrennial report.

I certainly would not prejudge what may happen in Parliament, so I cannot say to you that judges will receive the 10.8% that the quadrennial commission is recommending. That's why we're only dealing with this legislation.

**Mr. Yvon Godin:** I agree to this, Mr. Chair.

Let's put politics aside here. If it's unfair, why could the judge get it? The commission is very clear. I'm going on the decision or the recommendation of the commission.

They say, to be fair to the Prime Minister of our country, because he's a very poor person—he comes from a poor family—that he should get the same amount of pay, out of respect for his job as he is the leader of our country, as the chief justice.

There were some good arguments at that time that we agreed to.

Now if we say the amount is too big, that the way we calculate it is the wrong way to do it and there's a more fair way to do it, why not take the fact that we are together, because we are the lawmakers and they are the law interpreters and we are together, and come down to the same formula in your bill that you, the government, present?

That would be fair, and I think Canadians would be happy with that, because we're here to talk about what Canadians would like to have.

**Mr. Yvon Godin:** Well, why is it not in this bill?

[*Translation*]

**The Chair:** Pardon me, Mr. Godin, but your time is up.

Ms. Boivin.

**Ms. Françoise Boivin (Gatineau, Lib.):** Thank you, Mr. Chairman.

By a happy coincidence, I have with me an 11-year-old girl who's interested in politics and who believes in the importance of politicians. She goes to school in my riding. I congratulate you, Stéphanie, for cultivating that interest: it gives me confidence for the future. There's still a next generation, and that's a good thing. I now know that someone will follow me. There are more Canadians who believe in the importance of politicians than one might believe.

That said, having recently being elected, I'm new here. As regards the salary that comes with the office, I have no objection, but, having worked in labour relations for 20 years, I can tell you that negotiating collective agreements is not simply a matter of applying an increase standard without it being warranted.

I partly understand what's behind Bill C-30: an attempt is being made to establish a very impersonal standard. No one will be able to criticize politicians for giving themselves an increase because the average used will be utterly impersonal. It'll be said that it comes from the outside, and that we in no way took part in that negotiation. Perhaps that's laudable in itself, but, when you negotiate pay increases, be it in the public or private sector—for my part, I've negotiated in the private sector—you always take into account the person's office and the work he or she does. However, it seems to me that that's been completely removed from Bill C-30.

Although I haven't yet formed a clear idea of Bill C-30, I admit it troubles me. It seems to me it amounts to playing the game of the public, who sometimes feel that our work is neither very important nor very intense. I wonder whether we're not encouraging this way of thinking by opting for such an impersonal standard. It removes all importance from the office, from the work.

That's a question I ask myself in seeking a balanced view. Mr. Minister, I understood that you didn't object to the increases granted to the average Canadian. It should be noted that most of those increases take into account work performed, whereas that principle is not at all applied in our case.

• (1130)

[*English*]

**Hon. Tony Valeri:** Thank you.

I don't want anyone to think my remarks are in any way diminishing the role and value of parliamentarians. I think it's extremely important. The parliamentarian today receives \$141,000 a year. This bill will essentially tie the \$141,000 annual payment to an index that will reflect the wages received by our economy. It takes Parliament out of the role of voting for its own wage increases. The salaries have been set. There was certainly a gap that was described previously when there was a taxable/non-taxable amount. I think the previous legislation did the catch-up for parliamentarians, and now we're on a track to stay consistent with and in sync with what the Canadian economy is doing and what Canadians are experiencing.

**Ms. Françoise Boivin:** Are you not afraid that at some point we are going to recreate a gap?

**Hon. Tony Valeri:** It would not be a gap. If a gap were created at all—and I could let Wayne McCutcheon speak to this—it wouldn't be any more of a gap than Canadians might be experiencing. But I'm not convinced it will occur. Perhaps Wayne could speak to the technical part.

Before I do that, Mr. Godin asked me why the judges are not being dealt with in this bill. Essentially, it's always been the case that they've been dealt with separately. The Judges Act needs to be amended to deal with judges, and the Parliament of Canada Act deals with parliamentary compensation. They have always been separate and apart, so we're not doing anything differently in this case.

Mr. McCutcheon.

**The Chair:** We've kind of run out of time. Can we come back to this? Or do you have a very brief comment you'd like to add, Mr. McCutcheon?

• (1135)

**Mr. Wayne McCutcheon (Deputy Secretary to Cabinet, Senior Personnel and Special Projects Secretariat, Privy Council Office):** Very briefly, because it's an index, the adjustments would average out over time, and you would not expect a gap to develop.

**The Chair:** Thank you.

Monsieur Casey, it's your turn.

**Mr. Bill Casey (Cumberland—Colchester—Musquodoboit Valley, CPC):** Thank you.

Welcome to the committee. I appreciate this opportunity.

I don't know how you can compare our job with any job that I know of in the private sector, if you consider the things we do and the fact that we have to reapply for our jobs every two years, four years, or whatever it is, in a very open forum. If we accept your position that we should tie the pay scheme to the public sector, there is an inconsistency in an issue that you and I have discussed several times.

If a new member of Parliament, for example, Madam Boivin, serves for three years and then leaves, she has no choice with her pension plan but to take the money out, when the private sector can leave it in. Even, probably, all the public servants in this room would be able to leave it in if they served three, four, or five years. They can leave their pension contributions in the pension plan, but we have to take them out; we have no choice.

It's an anomaly in the program, an anomaly in our pension plan system. If we're going to be consistent, if we're going to tie our pay plan with the private and public sectors' plans, I think we should tie the pension plan arrangements too.

Would you entertain an amendment to change that so that members of Parliament, if they do serve three or four years, can at least leave their contributions in the pension plan?

**Hon. Tony Valeri:** I'm going to ask an official to speak specifically to the pension plan and how it works. I think we need some clarity on that. I would acknowledge we have had numerous conversations on this.

**The Chair:** While our witness is approaching, I'd just say you have to realize pensions are not mentioned in the bill; therefore, it's beyond the scope. If the minister plans an amendment it would have to be done separately.

**Mr. Bill Casey:** But the whole concept here is to tie it to the public pay. If that's tied to the public pay plan, why aren't the terms of the pension plan similar? If we're going to tie one so solidly to the public, why do we have this penalty as members of Parliament?

**The Chair:** We'll ask the new witness to identify himself and to answer, please.

**Mr. Aaron Allen (Manager, Other Statutory Plans, Pension and Benefits Sector, Treasury Board of Canada Secretariat):** My name is Aaron Allen. I work with the pensions and benefits sector at Treasury Board of Canada Secretariat.

It's very difficult to draw comparisons between single elements of a pension plan, for example, with respect to the vesting period, which is normally the term that applies when you determine when an individual is entitled to continuing a type of pension benefit versus getting a refund of contributions. In the private sector, two-year vesting is pretty much the norm, whereas under the pension plan for members of Parliament a six-year vesting is the requirement. Without six years of service, a member of Parliament who ceases to hold parliamentary office must be paid a refund of contributions. It would require an amendment to the Members of Parliament Retiring Allowances Act to change that.

There are many other elements of disparity between the MPs' plan and that of the private sector. For example, the private sector is restricted to a maximum accrual rate of 2% per year of service. The

MPs' plan pays 3% per year of service. It at one time paid 4%, and at one time it paid even 5%. So there's the de-linkage there as well.

If one were to look at amending the MPs' plan to provide for two-year vesting, I suppose one would have to look at whether to also bring it in line with other aspects of private sector pension coverage.

**The Chair:** Are there any other questions?

**Mr. Bill Casey:** I guess I'll repeat my question to the minister.

Would he consider a change to the pension plan, retirement plan, to allow members who serve three, four, or five years to leave their funds in the pension plan?

**Hon. Tony Valeri:** It is a separate piece of legislation; it wouldn't be this piece of legislation.

I think the point that needs to be made is that if you are going to be dealing with pension at all, then you're going to be looking at dealing with the entire pension itself. There is no plan on my part, and at the moment there is nothing in the works that suggests we would be revisiting the pension, given the changes that have gone on in the last legislative sessions making changes to both pension and salaries.

**The Chair:** We'll proceed to the next questioner.

Madam Longfield.

• (1140)

**Hon. Judi Longfield (Whitby—Oshawa, Lib.):** Thank you.

I'm supportive of the change. I've always been very uncomfortable with the way in which our salaries have been arrived at. While I can understand Madam Boivin's concerns about negotiation and how you value it, the difference here is that we're negotiating with ourselves. It's not as if you have an employer and an employee and you can put your case on the table. As you say, we're both the employer and the employee in terms of the negotiation process. I find that very uncomfortable.

With respect to Monsieur Godin, I think we're going to have to deal with the judges. We're all going to have to make some decisions on how we feel about that. I anticipate some pretty interesting debate. I think I'm in line with you in terms of where we are, but that will do it.

Minister Valeri, is there anything else you want to tell us about the document and the legislation before us that we should consider before we go to clause-by-clause?

**Hon. Tony Valeri:** The only point I would make is that this is in effect a de-linking and a re-linking to an index. Judges' salaries are dealt with separately. In my mind, it is not a matter of catching up. It is a matter now of keeping pace.

With the index, the expectation is that the index will continue to increase. Past history has shown that the index has continued to increase. There would be a continual change in members' salaries, obviously, that keeps pace with the economic challenges Canadians face as a whole. As members of Parliament, we obviously face those same challenges.

I see it as a very straightforward piece of legislation, one that I hope committee members will ultimately see fit to have proceed through committee and back to the House.

**The Chair:** Thank you very much.

[Translation]

Mr. Guimond, over to you.

**Mr. Michel Guimond:** Mr. Minister, this may be only an interpretation problem, but I'd like to clarify one point. You say that one of the objectives of this bill is to ensure that members no longer vote themselves salary increases. Is that correct?

[English]

**Hon. Tony Valeri:** That's correct.

[Translation]

**Mr. Michel Guimond:** What's current in effect is Bill C-28. So until Bill C-30 is passed, Bill C-28 will apply, and that will be the case until we change systems. However, it's currently the system linking us to the judges that applies. Is that correct?

[English]

**Hon. Tony Valeri:** Bill C-28 links us with judges' salaries.

[Translation]

**Mr. Michel Guimond:** That bill is therefore still in effect.

[English]

**Hon. Tony Valeri:** Until this legislation passes, Bill C-28 is in effect.

[Translation]

**Mr. Michel Guimond:** You seem to feel that one of the benefits of this bill lies in the fact that members will no longer vote themselves salary increases. In what year was C-28 passed, Mr. McCutcheon?

**Mr. Wayne McCutcheon:** I'm not sure, but I imagine Ms. Bougie knows.

**Ms. Ginette Bougie (Director, Compensation Policy and Operations, Senior Personnel and Special Projects Secretariat, Privy Council Office):** It was in 2001.

**Mr. Michel Guimond:** So, since 2001, members have no longer voted themselves salary increases. Is that correct?

[English]

**Hon. Tony Valeri:** We should be very clear that this will be the first time that we will be voting on judges' salaries as a result of Bill C-28. This is the first quadrennial report; it's once every four years. This is the first time that Parliament will be voting on an increase in judges' salaries that will directly affect the increase in our salaries.

[Translation]

**Mr. Michel Guimond:** But if you hadn't introduced Bill C-30, this bill we're studying now, we wouldn't have voted ourselves any increases? Is that correct?

[English]

**Hon. Tony Valeri:** No.

[Translation]

**Mr. Michel Guimond:** Does that mean that we won't have voted?

[English]

**Hon. Tony Valeri:** What is correct is that if Bill C-30 does not pass, you would conceivably be voting on Bill C-28. You would be voting on changes in the Judges Act, which will affect your salary increase. You will indirectly be voting for your own salary increase by ensuring that the present system stays in place.

• (1145)

[Translation]

**Mr. Michel Guimond:** I'm going to ask a brief final question, then I'll finish with a comment.

When are you going to introduce the bill amending the Judges Act to bring the quadrennial report into effect? Will that be before the adjournment in June or after September?

[English]

**Hon. Tony Valeri:** I don't actually have that specific information here, but I would expect that the Minister of Justice is working on those changes. They have not been presented to me as House leader, but it's something I would take up with House leaders and advise on in terms of our schedule.

I would certainly be prepared to provide that information as it becomes available to me.

[Translation]

**Mr. Michel Guimond:** All right.

I'll finish with a comment, Mr. Chairman. I wouldn't want there to be any ambiguity. I want to return to certain comments made by Ms. Boivin on the fact that we work hard, that we spend a lot of hours on that work, and so on. The benefit package is probably of interest to those who ran as candidates, because if all the conditions don't please someone, if that person finds his or her work is not highly paid enough, that person need not run.

My deeply held values give me a much more egalitarian vision of society. Every office in society is important and has its own remuneration. I don't place parliamentarians at the top of the hierarchy, and I don't think we should be the most important persons in society. We run as candidates to represent a population, and we are elected and we do our work as best we can. There are a lot of social benefits attached to this salary, but all offices are important in society.

To pay for my education, I spent five years working on maintenance in a hospital. You can have all the best surgeons, the best specialists, the leading people, but if no one cleans the operating room, the best specialists won't be able to operate.

So the idea isn't to say that this isn't enough and that we should have \$200. I don't want there to be any misunderstanding over this because that might suggest that we think we're indispensable persons in society.

**The Chair:** Thank you very much, Mr. Guimond.

I may have a question as well, but we still have Mr. Reid.



[English]

Mr. Reid, would you like to ask your question, sir?

**Mr. Scott Reid (Lanark—Frontenac—Lennox and Addington, CPC):** Yes, please.

I'm just going to reset my clock here.

**Mr. Yvon Godin:** Are you getting paid by the hour?

**Mr. Scott Reid:** No, I just like to keep track of Mr. Guimond. The time seems to stretch when he's asking questions.

**Some hon. members:** Oh, oh!

**Mr. Scott Reid:** I must say, though, I thought Mr. Guimond's commentary about the relative value of contributions to make to society was very valid.

I have a couple of technical questions. Is the escalation that occurs going to occur annually, every six months? I couldn't find that in the text of the bill.

**Mr. Wayne McCutcheon:** It would occur annually. April 1 each year would be the effective date.

**Mr. Scott Reid:** All right. And that's the same as in the prior legislation? That's why I couldn't find it. Is that right?

**Mr. Wayne McCutcheon:** That's correct. As I understand it—and Madam Bougie can correct me if I'm wrong—it was April 1 in the prior legislation as well.

**Mr. Scott Reid:** I was doing the math on the escalations we have received since 2001 when the current pay scheme went into effect. Our pay has gone from \$131,400 to \$141,000. I had actually made the assumption we were getting a very generous escalation. I did the math and it's actually 2.7%, followed by 3.1%, followed by 1.3%, which just shows if you start from a high base even a small escalation is considerable in dollar terms.

What was the formula that was actually...? I realize we were attached to the judges, but what were they being attached to? Was it the same index that we are now attached to or was it a different index?

**Mr. Wayne McCutcheon:** The index was established through a commission report. The index that was used to adjust the salaries going forward was the industrial aggregate index, plus there was an escalator of \$2,000 per year in addition to the adjustment, due to the industrial aggregate index each April 1.

• (1150)

**Mr. Scott Reid:** I'm sorry, is the industrial aggregate index the same index for using—

**Hon. Tony Valeri:** No, and the reason it's not the same is that the industrial index includes public sector wage settlements, which puts us in a situation where we might have to legislate those settlements and they would be included in the wage index we would be tied to. That's why we've looked at this other index, which is more representative and does not include public sector wage negotiations.

**Mr. Scott Reid:** And is that \$2,000 automatic escalator out or still in?

**Mr. Wayne McCutcheon:** It's gone. Now it's just a straight index.

**Mr. Scott Reid:** Okay. Right.

You probably don't have this in front of you, but had we been using the index you are now proposing to use since 2001, assuming we'd started from the \$131,000 we were set at then, where, more or less, would we be today? Would we be above or below where we've actually wound up, the current \$141,000?

**Mr. Wayne McCutcheon:** Our projections would put the allowances for parliamentarians about where they are today, if we'd been using the major wage settlements index from Human Resources and Skills Development.

**Mr. Scott Reid:** My last question is for the minister. All things considered, I think what you came up with here is actually pretty good. It decouples things nicely from anything other than what our primary consideration should be, which is making Canadians richer. If we make Canadians wealthier, we get to enjoy the benefits of it. I applaud that.

It seems to me there might be a good case—and I'm hoping you'll be agreeable to this—that we could do the same thing with judges. It seems to me that at that point they too are decoupled from any arbitrary consideration, and at that point I think we might have a situation in which the arguments that have been presented about the independence of the judiciary and the importance of paying them generously so as to ensure their independence might be met without becoming extravagant in the amount we pay to them.

**Hon. Tony Valeri:** As I responded to an earlier question, the issue of the judges' salaries is really a separate issue dealt with through the Judges Act itself.

Certainly that piece of legislation and the amendments to it will come before Parliament. I imagine they'll go to the justice committee, or would they come...?

**Mr. Wayne McCutcheon:** I think it is to the justice committee.

**Hon. Tony Valeri:** Yes, it would be going to the justice committee, so the members of the justice committee will be assessing the quadrennial report, and I'm sure will be making some of the same arguments I've heard here today.

Ultimately—and I'll just flag this for people, although I'm not the expert here—there is a process with respect to the outcome of the legislation and the avenues the judges would have for dealing with whatever that legislation looks like.

**Mr. Scott Reid:** But it's Minister Cotler we should be pestering about this rather than yourself. Is that right?

**Hon. Tony Valeri:** It would be the Minister of Justice, yes.

**The Chair:** Madame Boivin, did you have another question?

[Translation]

**Ms. Françoise Boivin:** This is important because I heard certain comments. I want it to be clear and for people to understand my position. I want to be reassured, and your remarks indicate to me that this is indeed a transparent measure and, as Mr. McCutcheon explained, a fair measure.

Obviously you have to avoid too many major discrepancies. That being said, if Mr. Guimond had been present during my presentation, he would have understood what I meant.

I'm less familiar with Bill C-28, but my understanding is that, once the report is tabled, members may debate it again. It's not true that the report is automatically tabled and that Parliament can adopt it without us being able to make any changes. So you're right in saying that we're in the position of judging our own salaries, which isn't completely impartial. I'm satisfied by that.

**Mr. Michel Guimond:** However, that's not the case of the percentage increase.

**Ms. Françoise Boivin:** I won't get into a debate with Mr. Guimond, but that's his answer. Is it possible Bill C-28 isn't entirely transparent in this regard?

[English]

Would there be room to change the report, once the report is down from the committee?

**Hon. Tony Valeri:** The quadrennial report is provided to the Minister of Justice, who then is required to table the report in the House by a certain date. The Minister of Justice has done that.

What is to come is the legislation itself that would amend the Judges Act as per the quadrennial report recommendations. That is then subject to the normal process of legislation going through the House. You'll see it go to committee, come back, be debated, and members will vote on those amendments.

• (1155)

**Ms. Françoise Boivin:** Could they have changed the percentage? Let's say the quadrennial report says 10.8%. Could it come back from the parliamentary process and go to 8%, let's say? Or was this automatic—you accept the law or you change it, period?

**Hon. Tony Valeri:** The committee could propose amendments to the legislation. I can't prejudge what a committee would do, nor can we prejudge the outcome in Parliament. At the end of the day, the Judges Act itself will follow the same process as any legislation, and if there are amendments, then parliamentarians will have to deal with those amendments.

[Translation]

**The Chair:** Mr. Godin, do you have another question before we finish?

**Mr. Yvon Godin:** Thank you, Mr. Chairman.

[English]

When a bill is put in place, though, you can make amendments, but you don't change the sense of the bill itself. For example, if we want to make an amendment so it will look the same as the one that is being presented to us now, would it be a possible exception of the minister's or the ministry of justice's proposals when they put their bill? We cannot have amendments that change the whole idea of the bill itself—we would bring it down and come back with another one.

**Hon. Tony Valeri:** The amendments need to be within the scope of the bill. That's just from a procedural standpoint. It'll deal with an increase in salaries. That will be, essentially, the scope of the bill, if it's going to reflect what the quadrennial commission is saying. I don't know what else is in the commission besides the 10.8%.

**Hon. Dominic LeBlanc (Beauséjour, Lib.):** I have a point of order.

Mr. Chairman, some of the questions are interesting, but hypothetical questions about an amendment to the Judges Act that we haven't seen, going to a committee that's not ours, should properly be made.... I would just suggest to Mr. Godin that he's in a lot of hypothetical scenarios. It's a justice bill—

**The Chair:** Well, maybe so, but there are two things.

First, the legislation that administers us right now is the same legislation. We haven't passed this bill yet. The second thing is essentially asking for the minister's opinion. The minister, of course, is perfectly entitled to say he doesn't have one, or hasn't discussed it with his colleagues, if he so feels. Anyway, let's—

[Translation]

**Mr. Yvon Godin:** Mr. Chairman, I'd like to respond to the point of order of my colleague, the Honourable Dominic LeBlanc. The reason I make this point is that we're talking about Bill C-30, which involves both in fact, because we already had Bill C-28.

Second, the minister continues to tell us we shouldn't be concerned because another bill is coming. I believe we're entitled to ask whether that other bill will have the same orientation and whether we'll be able to make amendments to it. I tell you my question is justified, Mr. Chairman.

**The Chair:** Very well.

Has the minister completed his answer?

[English]

**Hon. Tony Valeri:** Yes, I have.

Thank you.

[Translation]

**The Chair:** Before closing, I'd like to ask a question as well. All the members seem to have asked their questions.

My question is for Mr. McCutcheon. Did you say earlier, in response to Ms. Boivin, that you expected there would be little or no discrepancy between our salaries and those of the judges in the coming years if we adopted the new system?

[English]

**Mr. Wayne McCutcheon:** I was referring to the index, as opposed to the linkage with judges' salaries. The judges' salaries will presumably continue to be determined by Parliament, further to independent commission recommendations. Over time, the index would reflect average increases in the private sector in the Canadian economy, within the parameters of that index, so over time, there should be no gap created between the compensation for parliamentarians and Canadians in the private sector.

• (1200)

**The Chair:** But not the judge.

I think it was Mr. Reid who asked what the difference would have been if you had had the new formula, instead of the one we have now, since 2001. I believe you answered that there's almost no difference.

**Mr. Wayne McCutcheon:** Perhaps Madam Bougie could speak to it, but the projections we've done came out at, what, about \$140,000?

**The Chair:** So it's 99% the same?

**Mr. Wayne McCutcheon:** If we use the HRSD index, it would be \$140,000 if we'd had that in place over this period of time.

**The Chair:** So it's almost the same?

**Mr. Wayne McCutcheon:** Almost the same.

**The Chair:** Okay. That was the only question I had.

If there are no further questions, I want to take this opportunity to thank the minister and of course the officials who have accompanied him this morning.

Pursuant to what I indicated earlier, I'd now like us to consider a report to table in the House. We normally consider a report in camera and then revert to a public meeting to adopt it at the end. That being said, would anyone who is not supposed to be here withdraw so that we can consider that?

Mr. LeBlanc.

**Hon. Dominic LeBlanc:** Mr. Chairman, we had hoped to proceed to clause-by-clause consideration, but some of our members have expressed some reservation about that. More for the benefit of the officials, I would ask if you've been able to determine exactly when next week we could proceed to clause-by-clause.

**The Chair:** Yes, maybe we should raise that before the—

**Hon. Dominic LeBlanc:** I just want to do that with respect to the officials who have been here prepared to do clause-by-clause.

**The Chair:** Yes, I'm prepared to answer that now.

Given that not all members wanted to address that this morning, I would propose to members that we meet an hour earlier on Tuesday. I've asked the clerk to verify informally to see whether there's a room available, and the room that we're holding our hearings in on Tuesday at 11 is available earlier. We could get it for 9:30 or for 10 o'clock. I checked with Mr. Guimond, because he's the one who did not want it dealt with today, whether 10 o'clock would be okay, and he seemed to agree.

Do others think we need to do it at 9:30, or is 10 o'clock sufficient, to be finished by 11 to do our regular witnesses?

Mr. Reid, would you like to speak to this?

**Mr. Scott Reid:** I was just going to ask the question, is there not other business on the table on Tuesday?

**The Chair:** At 11.

**Mr. Scott Reid:** At 11, right.

**The Chair:** That's essentially why we're having another meeting before.

**Mr. Scott Reid:** Right.

Well, the assumption being made is that we'll be able to get through this in an hour, but I don't know if that's correct.

**The Chair:** Do you want me to start at 9:30, and if there's a bit of an adjournment in between we'll just take a coffee? We'll be sure we have enough time. Is that better?

[*Translation*]

Mr. Godin, do you want to speak?

**Mr. Yvon Godin:** Yes. Mr. Chairman, if we start at 10:00 o'clock, we may not finish on time. The problem is that the other meeting has to start at 11:00. Are you suggesting that we start the other meeting if the first meeting finishes early enough? I won't be attending the other meeting.

**The Chair:** No. I suggested that we simply take a break if we finish earlier.

**Mr. Yvon Godin:** The other meeting will still be held at 11:00 o'clock.

**The Chair:** Yes, because the other meeting is being televised and the time shouldn't be changed. That makes it too unpredictable. Do you want us to start at 9:30? Mr. LeBlanc, you have the floor.

[*English*]

**Hon. Dominic LeBlanc:** Mr. Chairman, again, this is just for the benefit of officials and myself, but are people looking at possible amendments they want or thinking of amendments, or is this going to be a fairly routine clause-by-clause? Could we have some indication? But 9:30 is fine for us. I would very much hope that we could get the clause-by-clause done and report it back to the House. But if colleagues want to go at 9:30 on Tuesday, that's certainly fine with me.

**The Chair:** Okay. Why don't we do it at 9:30, and then we'll be sure there will be enough time. And if anyone has an amendment, it's always helpful to the clerk if it can be filed ahead of time. I know it's not a procedural requirement in this committee, but it is a helpful thing, so I remind colleagues of that.

With that then, we will schedule the meeting for clause-by-clause consideration of the bill on 9:30 on Tuesday.

We'll now move in camera quickly, if we could get the cooperation of others who might want to leave and of members, who will all want to stay, hopefully. We'll try to make it quick.

[*Proceedings continue in camera*]





**Published under the authority of the Speaker of the House of Commons**

**Publié en conformité de l'autorité du Président de la Chambre des communes**

**Also available on the Parliamentary Internet Parlementaire at the following address:  
Aussi disponible sur le réseau électronique « Parliamentary Internet Parlementaire » à l'adresse suivante :  
<http://www.parl.gc.ca>**

---

**The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.**

**Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.**