

and was getting well paid for it, that he was getting considerably more money than the minister and he was glad his deputy was able to do so.

It has always surprised me that in our structure a cabinet minister gets less money than a deputy minister. In some cases a cabinet minister gets less than half what a deputy minister gets, which seems to me a rather odd situation for a government that is supposed to be democratic. Although parliament makes the decisions, we are willing to pay the mandarins in the civil service considerably more than we pay the boss, I know of no other field where this happens.

I am also surprised that some members of parliament believe they can increase their prestige by being highly paid. It is certainly true in society in Canada today that the man who is paid the most is obviously the boss of the enterprise. Cabinet ministers receive something like \$60,000, members of parliament receive considerably less, yet we are supposed to be on an equal footing with cabinet ministers. I am not sure how the rate structure in the civil service has been developed but I have always been very concerned that the same system prevails in this House.

I think this is the fourth time we have increased our salaries since I have been here. The last time I said I would not support an increase in salaries and allowances unless a continuing formula was worked out that was related to the increase in the cost of living, or increase in expenses or some such criterion. Since that time we have been able to increase the amounts paid to those for whom parliament is responsible, such as the old age pensioners and war veterans, including federal payments to the provinces for the care of those whom the state looks after. We have done this fairly effectively on the basis of a cost of living escalator clause. Yet when we come to examine our own indemnities we have a different kind of escalator.

I do not care so much about the money involved. I do not think it really matters if we increase our salary to that of a deputy minister; I am not sure that it would make very much difference to the economy of this country. Paying 265 members of parliament a salary that puts them in the top 20 category in the civil service is not going to bankrupt this country. However, there does seem to be a need for legislators who want to increase their salaries to do so, in light of what other people are receiving. If we are going to move to the industrial composite index, then we should immediately tell all the old age pensioners, war veterans allowance recipients, all pensioners and those on fixed incomes, that instead of tying their pensions to the cost of living index we are going to tie them to the industrial composite.

I am sure most members of parliament would agree that it would be difficult to establish a classification for MPs. Each member's role is different from that of his neighbour. It differs from area to area. I am not prepared to argue whether the Ottawa members need more money than Toronto members because I think both play different roles. Therefore, I find use of the industrial composite wage index somewhat unusual. Whether we use the cost of living index or some other index, if we put a limit on any increase of, say, 7 per cent when the increase in the cost of living this year has been 12 per cent, it seems to me we are being schizophrenic.

Members' Salaries

Hon. members who were here when this question was discussed in 1970 or 1971 will recall there was considerable discussion between myself and the Secretary of State for External Affairs (Mr. MacEachen), who at that time was president of the privy council, over whether or not we should use an escalator. Obviously, we had to face the problem again and now we are facing it. I do not think we as members of parliament are competent enough or able in any way to decide what our own requirements are when we look at members of parliament as a class, since each member performs his own distinct role. For example, an Ottawa member will have an office that is easily accessible to people in his area. I may have to drive 200 or 300 miles over the weekend in order to see eight or ten people, whereas an Ottawa member can perhaps see 200 people and not need to drive anywhere. This is why I say it is very hard to arrive at some sort of classification for all of us.

I would much rather see some sort of permanent index written into the bill, and I see nothing wrong with using a cost of living index that has been built up over a long period of time, one which is used for other programs in order to maintain the standard of living of other people. This would mean going back to the suggestion I made in 1970-71 in respect of a cost of living bonus. I would be willing to have it at that level, as that is exactly what I wanted then. There is nothing inconsistent about that. I agree that this will be a considerable amount of money because the cost of living has been rising rapidly throughout this period. This would mean we could do for ourselves now what we are willing to do for everyone else.

● (1600)

I think this government will find itself in extreme difficulty if it is not willing to change the indexing formula as it applies to others, thereby applying one formula to them and a different one to ourselves. Almost every labour agreement negotiated this year has included a cost of living escalator clause, or an amount of money equivalent to that cost of living increase, plus an additional amount to keep those workers on par with others in our society. In many of these contracts the cost of living factor has been more important than the increase in wages. Many of these contracts have called for a 10 per cent increase each year for the duration of a three-year contract, amounting in total to 30 per cent. They have called for a 5 per cent increase in respect of the standard of living, also per year for the term of the contract, so without taking any other benefits into consideration this amounts to a 45 per cent increase. This in fact is an inflationary factor in our economy.

We will find it very difficult if we set our own standards above the formula we are asking the country generally to accept. The Minister of Finance (Mr. Turner) is asking labour, business and all segments of our society to hold wage demands to 7 per cent per year, or less. It will be difficult for the Minister of Finance to justify that kind of restraint when we are not willing to apply it to ourselves. Any formula that allows for renegotiation of a basic salary increase will not solve the problem I should like to see solved.

There has been some discussion about the allowance we receive. For most people, this allowance is mixed in with