

*Members Salaries*

discuss those two together because I think much of the argument about which outside reference we should use has been centred around the difference between these two indices.

The frontbench members of the NDP have said that we should simply use the consumer price index, and that the increase we should have, should only be on the salary portion and not on the expense portion of our remuneration. It is rather strange to me that the front bench of the NDP has failed to appreciate the symbolism of such a limitation on the part of members of parliament. After all, things which we do here have some significance elsewhere in the country. In fact, much of the discussion of this bill has been based on that very fact.

Not long ago the Ontario government made a proposal for a 5 per cent cut in salary. I would like to draw the attention of the House to the comment which Mr. Stephen Lewis, the leader of the New Democratic Party in Ontario, made regarding that proposal: he referred to it as a crock of hypocritical nonsense. He saw the implications of the argument; it meant that labour should cut its wages.

● (1610)

**Mr. Broadbent:** Who is talking about a cut here?

**Mr. MacGuigan:** No one is talking about a cut here. We are talking about the connection between what happens inside and what happens outside this House. The front benches of the NDP refuse to recognize that connection. If we should accept only the cost of living increase, it would mean that is all the workers of this country should get and that no productivity increases should be paid to our labour force. That would be the meaning of such action. It is nice to know that some New Democrats who hold office in the provinces appreciate the distinction; it is also nice to know that some who are out of office in the provinces appreciate it. It is a shame that the same cannot be said of the front benches of the NDP in this House.

It would be difficult to tie our increases solely to the CPI. Let me say, frankly, that sometimes the consumer price index is higher than the industrial composite index and there are times when the ICI is above the CPI. If we tied our increases directly to the CPI we would be tying ourselves directly to the inflation factor, and that would not do. Nothing else would need to be considered; we would be effectively insulated against inflation. Many of us do not think that members of parliament should put themselves in the position in which they have such a direct interest in inflation. Many do not think that as inflation increases as measured by Statistics Canada, members should be given a similar kind of increase.

Moreover, to be fair to members of parliament, there would then be no explicit allowance for the productivity increase which all members of the labour force receive each year. Obviously, this is a disadvantage which would apply to members. Of course, one newspaper has suggested that increases should be limited to productivity increases.

**Mr. Lambert (Edmonton West):** What is their productivity increase?

**Mr. Fairweather:** The *Globe and Mail* just put its price up by 66 per cent.

[Mr. MacGuigan.]

**Mr. MacGuigan:** The newspaper which made that proposal for members of parliament did not follow it either with respect to the wages it pays its reporters or the price it charges for its product.

The industrial composite index is perhaps the broadest base to consider. The records kept by Statistics Canada in this field are the best available indication of the trend of weekly Canadian wages and salaries. If we tied ourselves to this index we should say that we are prepared to abide by the results of negotiations which take place across the country, no matter on what basis they are negotiated. We would say that we are prepared to take only the kind of increase which the average constituent receives. It is clear, if one examines the period 1970 to 1974, that we have proposed receiving considerably less than our constituents received in that period.

I shall now refer to the appropriate figures and show how the industrial composite index applies to the indemnity of members of parliament and to allowances of members of parliament. The increase in the ICI between 1963 and July last year was 114.52 per cent. Let us apply that percentage to the 1963 figures. In 1963 members received \$12,000 indemnity and \$6,000 allowance. Applying the stated figures, in July, 1974, members would have received an indemnity of \$25,742.40 and an allowance of \$12,871.20, making a total of \$38,613.60. This is almost exactly the figure suggested initially.

If one considers only the increased percentage from the period of the last increase in October, 1970, to July last year it is 37.17 per cent. Applying that figure would lead to an indemnity in July, 1974, of \$24,690.60 and an allowance of \$11,065.60, making a total of \$35,756.20. This, again, is considerably more than was proposed in the second instance by the House leader, and accepted by Her Majesty's Official Opposition when we discussed the previous bill in December.

Some may feel that applying these formulas too rigidly in future might be unfair either to members of parliament or to the public; that is to say, it might not be possible to increase members' salaries and allowances at an adequate pace or, putting it the other way, the formula might lead to increases which are too large. I do not think anyone on this side is unreasonable. I do not think it would be impossible to review this procedure and possibly change the application of these formulas in future. But it seems to me that this is the best standard on which one can begin. It is the most objective standard to adopt at present. I suggest that modifications can be introduced to this basic system if they then appear necessary.

I spoke first about the general formulas to be used because I think these influences present levels of remuneration and allowance. I now want to turn to that subject and consider what could be fair to members, acceptable to the public and in the public interest. The proposals which have been made—especially the most recent proposal—are considerably below what would be derived from the application of the formulas referred to. For example, the proposal for a 33½ per cent increase is some 4 per cent below the 37-odd per cent which would accrue to members of parliament if the ICI had been strictly applied since the last increase. I think this shows the public that members of parliament are taking their responsibilities seriously,