

*Members' Salaries*

contained provision for a \$2,000 allowance for members of this House and nothing at all for those in the other place. Mr. King's solution was to redraft the bill so that it provided \$2,000 for members of the House of Commons tax free, and a \$2,000 expense allowance for Senators and for cabinet ministers, this amount to be taxable in their case. It solved the problem for the moment. It got the bill through both Houses. It secured what then seemed to be a substantial total increase for members of parliament. But it was one of those clever solutions to a problem of the moment which has left us bedevilled ever since with this concept of a tax free, unaccountable allowance to members of parliament.

The only time this was ever considered thoroughly was during the sittings of the Beaupré Commission and, as the hon. member for York-Scarborough (Mr. Stanbury) said this afternoon, that commission said in its report that the time had come to get away from the tax free allowance idea. Of course the higher the amount goes the more difficult it is to get rid of it because, if it is to be replaced by an indemnity which would be worth as much, it would mean adding a larger and larger indemnity. I submit that the hon. member for York-Scarborough was right, and that the Beaupré Commission was right, and that some day the clever idea which Mr. King adopted in order to solve the problem of 1945 should be corrected. At least we should not make the situation any worse.

Some of us think the tax free element should be removed, even if in order to do so it is necessary to increase the indemnity. But if this course is not to be followed, the least we should do is leave the allowance where it is. That is the position that is taken by most, if not all, members of this party, and these two motions, Nos. 5 and 6, deal with this aspect of the matter.

When we were considering motions Nos. 2, 3 and 4 this afternoon the hon. member for Waterloo-Cambridge (Mr. Saltsman) quite properly commented on the tax free allowance aspect because in motion 4 there is a provision which refers to the tax free allowance and says it is to be escalated by the same 7 per cent as the indemnity. We are now at the substantial part of the bill as far as the tax free allowance is concerned—the clause which provides for the allowance. At the moment it is \$8,000 a year for members of this House and \$4,000 a year for members of the other place. We think it ought to stay where it is, that there should be no increase at all. That would be the effect of motion No. 6 standing in the name of the hon. member for Oshawa-Whitby. That motion, if carried, would rule out any increase in the tax free allowance and leave things exactly where they are now.

The reason we have put down two motions, No. 6 in the name of the hon. member for Oshawa-Whitby, and No. 5 in my own name, is to give members two choices. If they do not like the idea of leaving the allowances exactly as they are, or if, on the other hand, they want to have something to say about the position of the senators, or if they want to have something to say about the justifiable claim of those who represent northern constituencies, my motion gives them a chance to express their views.

My motion differs slightly from that of the hon. member for Oshawa-Whitby in that it would leave the \$8,000 expense allowance for members of parliament generally

[Mr. Knowles (Winnipeg North Centre).]

right where it is; it would accept the increase in the expense allowance provided in the bill for those who represent the northern constituencies—the Northwest Territories, the Yukon and a number of others; I doubt whether anyone would argue that the members concerned are not entitled to an increase. That is the second thing my motion does.

The other thing my motion does is to alter the amount of the allowance to be paid to members of the other place. There is a notion around that I do not approve of the Senate.

**Mr. Benjamin:** Who said that?

**Mr. Sharp:** Shame!

**Mr. Knowles (Winnipeg North Centre):** I hear a question about that coming from the Tory benches, but what is my friend doing over there? I accept the charge. I think parliament would be far better off without the other place. I contend that the Senate ought to be abolished.

**Mr. Peters:** It would save some money.

**Mr. Knowles (Winnipeg North Centre):** My hon. friend from Timiskaming (Mr. Peters) says that would save some money. Yes, it would. And it would obviate a lot of other difficulties around here. Well, since I say the Senate should be abolished I suppose that when I move an amendment touching the incomes of the senators I could move to reduce them to one dollar. I believe I have some takers. I even went down the list of cabinet ministers who are getting \$20,000 with the idea that I might pick out some of my favourite targets and move to reduce their salaries to one dollar. But it is now too late to do that; the amendments had to be in by last night.

Seriously, though, whatever comments we may wish to make or whatever fun we may have, there is no case whatever for increasing the total income of senators. At the moment they receive \$18,000 by way of salary and \$4,000 by way of expense allowance for a total of \$22,000. Under the bill before us that \$18,000 will become \$24,000, and their expense allowances will go up to \$5,300, making a total of \$29,300. Can anyone in this House tell me there is any reason at all why senators who are now receiving a total of \$22,000 should receive a raise, effective last July, which would bring them to \$29,300? In my view they should not get one cent of a raise.

It was difficult to draft an amendment which would cut senators' salaries to a figure less than our own. However, on the clause we are now considering, under motion No. 6 we can cut the amount of their allowance, and that is what I am proposing to do. I am proposing that instead of their tax free allowance being raised from \$4,000 to \$5,300, it should be reduced to \$2,000.

● (2030)

My friends over in the Senate will be impressed by my generosity. The result of this would be that they would get an increase. They are now getting \$18,000 salary plus \$4,000 allowances, for a total of \$22,000. Under my proposal they will get \$24,000 salary and \$2,000 expense allowance, for a total of \$26,000. All I really have to say about that is that it is too much, but at least I am not suggesting