

Members' Salaries

earning \$9,000, \$10,000 or \$11,000 is not the same as increasing by \$6,000 the salary of a member already earning \$18,000. The increase in the present instance is to apply right across the board. While it may be difficult to justify such a salary increase, it is even more difficult to justify an increased expense allowance and the inclusion of an escalator clause.

Let me deal with the salary question by itself. As I said, we accept the proposed salary of \$24,000 although that is going further than the hon. member for Winnipeg North Centre (Mr. Knowles) would be willing to go. I think his position is that there ought to be no increase at all. We have agreed that we are prepared at least to accept an increase in salary. We do not want to stand pat and say "nyet" to everything. We think the increase is necessary although we know that one could argue against it. But, Mr. Speaker, I point out that the cost of living does not go up equally for all. For those at the \$18,000 level, the increased cost of living is less onerous than it is for those at the \$10,000, \$9,000 or \$6,000 level. It does not cost us that much more to eat than it costs a family trying to live on \$8,000 or \$9,000.

An hon. Member: Especially in the parliamentary restaurant.

Mr. Saltsman: Especially in the parliamentary restaurant, as my colleague says. I brought a young relative of mine to parliament. I thought he would be terribly impressed by the buildings, the procedure, the debate and the distinguished people in the House of Commons. I made the mistake of taking him to the parliamentary restaurant. The only thing that young man remembers is that he had never seen food that was so cheap and so good. That was his total impression of parliament. We will try to correct this impression over the years. I merely give this example to show that our costs are not as high as some make out.

I know there are many disadvantages to being a member of parliament: one incurs expenses which others do not incur, and so on. But we tend to gloss over the benefits we receive and not to set off our benefits against costs. A significant portion of the income of those receiving \$18,000 a year, or \$24,000, does not go to consumption. Almost all the income of those earning \$7,000, \$8,000, \$9,000 or \$10,000 goes to consumption because a family in Canada of any size cannot live on much less. But when you earn \$18,000 a year, although much of your income goes to consumption—to consumption at somewhat higher levels than average—part of your income goes to savings. I know members of parliament will tell you—I have no reason to doubt them—that they have no savings, that they are in hock to their bank manager and that they find it hard to get along. I am sure there is truth in what they say. But they tend to overlook the fact that a substantial part of their \$18,000 salary goes toward retirement savings plan, which is certainly an excellent form of saving. The pension plan of members of parliament is better than any other pension plan I have seen.

Mr. Peters: It is not better than the judges' plan.

Mr. Saltsman: My hon. friend says that it is not as good as the judges' plan. Perhaps that is the only exception. Certainly, the members' plan is superior to the public

[Mr. Saltsman.]

service plan and superior to any plan in industry. It is much better than any general pension scheme I have seen. If we increase salaries to \$24,000 we shall increase our ability to consume and to compensate for the effects of inflation. We shall also increase our level of savings because much of the increase will go to savings. Statistics show that those in the higher income brackets—we, obviously, are in the top 10 per cent of income earners, even at our present salary levels—apply less of their incomes to consumption and more to savings. When you are living at the margin on an income of \$7,000 or \$8,000 you do not save.

When you want to index an income, you must first choose the index which is to apply. You may choose the industrial composite index. That index, the ICI, may at some future time be lower than the CPI, although I doubt it. Traditionally, it has been higher than the CPI. We use the CPI as the general index when we want to adjust family allowances or old age pensions. It is evidently a cause of great dissatisfaction in this country that we tie old age pensioners to the lower index, yet when we apply indexing to ourselves we use the industrial index which provides some benefits. The government has tried to get around this by saying we are not going to take the entire amount, only 7 per cent or some other figure, depending on what amendments may be introduced. It is, nevertheless, wrong to have two standards, one for society in general and another for members of parliament and a few others. It seems we are going out of our way to aggravate society and discredit parliament by our behaviour.

● (1530)

In our view, the indexing should not be retroactive: there is no justification for that. When retroactivity is negotiated in a labour contract, it is based on the fact that there is a large overlap. If there is an argument for retroactivity, surely the period of retroactivity should go no further than the point at which we started discussing this bill, which certainly is not back to July 8, 1974. Therefore, it is our view that the retroactivity section should be struck out. It should be sufficient to increase our salaries from \$18,000 to \$24,000.

Our final objection is with regard to the expense allowance. That, more than anything else, is offensive to the public. There are only a few elements in society which have this and they seem to have taken their cue from federal behaviour. Everyone has to account for expenses. I receive letters from businessmen and trade unionists who are reasonably sympathetic with the idea of a salary increase. Other people have had their salaries increased and they feel that members of parliament are entitled to some increase. However, no one agrees there should be an unaccountable expense allowance. There should not be any increase without some accounting being made. Up to this point, no one has provided evidence to persuade me that there is any justification for increasing our expense allowance.

A number of things have happened in the past few years that have in fact reduced my expenses. For many years I sent out newsletters to my constituents. I carried the cost of printing and the cost of postage out of my expense allowance. For many years the cost of maintaining constituency telephones in the constituency offices came out of