

dent of the Privy Council. That 7 per cent does not sound very bad when you say it fast. I want to say a couple of things about it, but I had better get to the reason I am calling this a piece of dishonesty.

When the proposal was made for an across the board 50 per cent increase last December, I think it is a truism to say there was a howl about it in the country. We vocalized some of that howl here on the floor of this House and the government, within a matter of days, recognized that and said, "All right, we will come down. We will come down from a 50 per cent increase to a 33½ per cent increase". The country was given the impression that members of parliament had pulled in their horns and were willing to settle for 33½ per cent instead of 50 per cent.

If it had stopped there, perhaps one could commend it. But when you add an escalation in January, 1976, another one in 1977 and another one in 1978 of 7 per cent on the salary and allowances that were in effect the immediately preceding December, you produce a compounding effect. The result is that by 1978 the increase will be 63 per cent over what we are now receiving. So it is not just 7 per cent simple addition; it is 7 per cent compounded. If you take the 33½ per cent and compound it by 7 per cent, by 1978 the increase will be 63 per cent over what we are now receiving.

This is the reason I respond so warmly to the amendment of the hon. member for York-Scarborough. Under the present bill the 7 per cent compounded goes right on. We do not need to raise the issue again. By 1982, presumably the time of the election after the next one, the increase will be 113 per cent. Members vote the 33½ per cent and then tell the country what fine people we are, settling for that instead of 50 per cent. But we add on 7 per cent compounded, so that by the time of the next election it is up to 63 per cent, and by 1982 it is up to 113 per cent.

This is completely indefensible, Mr. Speaker. I am quite prepared to agree with the hon. member for Timiskaming, all of those ideas do not tally exactly with mine, that salaries, accommodation and all the rest for members of parliament needs to be reviewed; but surely we should not act before a review in a way that would provide these increases that become so outlandish as the years go on. Of course, 7 per cent sounds simple, but once you get our pay up to 100 per cent of what it was, then a 7 per cent increase of that amount is really 14 per cent of the base you started from. I really think the House should slow down, Mr. Speaker, and give further consideration to this whole matter.

I said a few moments ago that within a few weeks the Minister of Finance is going to be bringing down a budget. My hon. friend from Waterloo-Cambridge (Mr. Saltsman) asked, and so do I, what right we have, in anticipation of a budget that is going to talk about restraint, to act now? Maybe what is being proposed will be within any restraints proposed by the Minister of Finance. I doubt that, but it could be. If that is the case, why can we not wait? We are going to look awfully greedy, as members of parliament, when the minister brings down that budget proposing restraints, if the people of the country can ask how the Minister of Finance can propose restraints which are so much more severe than members of parliament

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accepted when they passed their pay bill at the end of April or the beginning of May.

There are other amendments on the order paper and I will have a chance later to say something about expense allowances under motions Nos. 5 and 6. I shall also have something to say about giving more money to the Senate under one of those motions, and about the effective date. So perhaps I have said enough at this stage of the debate, Mr. Speaker.

I therefore, move, seconded by the hon. member for Cape Breton-East Richmond (Mr. Hogan):

That motion No. 4 be amended by deleting therefrom the proposed new subsections (3), (4) and (5).

The effect of this amendment would be to leave the salary at the \$24,000 figure or, if my friend's amendment carries, at \$22,500 for the balance of this parliament. We would wipe out the dishonesty of saying we are giving ourselves only a 33½ per cent increase and then letting it go up to 63 per cent at the end of this parliament. We would conform to the suggestion of the hon. member for York-Scarborough that this sort of thing should not happen and that there should be a commission to review it for future parliaments.

I suggest very strongly that a combination of these amendments would make this parliament look a lot more responsible than it has thus far. If my amendment can be adopted, accepting whatever salary we decide on for the balance of this parliament and providing for no escalation until it has been reviewed, and then if we can pass the amendment of the hon. member for York-Scarborough and get a commission to review the matter on an independent basis with a view to making changes for the next parliament, I think the position of this institution would be much more responsible than it now is. We might get back some of the credibility that we are losing because of the demands that we seem to be making on the public treasury because of our privileged position.

● (1640)

I hope, therefore, that the House will consider seriously the amendment which I have proposed, namely, that motion No. 4 be amended by deleting therefrom the proposed new subsections (3), (4) and (5).

**Some hon. Members: Question.**

**The Acting Speaker (Mr. Penner):** Before putting the amendment, I remind hon. members, as I am sure the hon. member for Winnipeg North Centre (Mr. Knowles) knows, that it is irregular to have two amendments to a motion. However, I believe the Chair bears some responsibility for the situation. We are following a somewhat complicated procedure involving a number of motions and deferred divisions.

In order to carry out what was suggested earlier by the Chair, the second amendment will be put. The question is on the amendment to motion No. 4 proposed by the hon. member for Winnipeg North Centre. All those in favour of the said amendment will please say yea.

**Some hon. Members: Yea.**