

I wish to move to a matter that is related to a serious political problem, although not directly connected with this bill. Because of the inequality to which I have attempted to address myself briefly, this question does have a direct and important connection with this bill if it should pass. I refer to the government's general program to deal with inflation. The Minister of Finance (Mr. Turner) in recent weeks, and indeed in recent months, has indicated that the government is concerned about restraint. I think he has been entirely correct in expressing concern about restraint by those who are very well paid in our society. I think that a very good case can be made, for example, for a program that would impose serious restrictions on the capacity of middle and upper income people to extend their wage levels beyond the cost of living increases in the foreseeable future, while others are much lower in terms of their existing income and must deal with an inflationary economy.

● (1640)

I think some kind of restraint program for upper income people would be totally justified, some kind of approach in talking seriously even to organized labour about wage gains being considered as part of a package that would involve tax reductions for average and low income people, and a wealth tax on upper income people such as has been introduced in a number of countries might gain acceptability among trade unionists who would like to see our country cope with inflation.

I say that the government, by going ahead with the 50 per cent wage increase proposal, will totally undermine the negotiation process upon which the Minister of Finance has embarked. It will make a complete and utter mockery of such an attempt and I suppose the politest kind of response that the minister will get from other groups will be the cold shoulder. I suspect that the language he will run into on many occasions will be very strong if he suggests to working people, of whatever occupation, that they are not entitled to a 50 per cent increase while members of parliament are. So in terms of the economic general policy of this government, this wage proposal, I suggest, will have disastrous consequences. For that reason it ought to be rejected by the House.

In conclusion, I want to make clear two points on behalf of my party. First, we do favour a salary increase for members of parliament, for cabinet ministers and for others, based on cost of living increases which have occurred since the last increase. That cost of living increase should be on the salary portion of MPs' indemnities only, and not on the expense allowance portion, for reasons which I indicated in my remarks the other day. I genuinely believe that the government has moved very substantially since 1971 into the area of paying many of the expenses that we were paying on a voluntary basis before, and therefore it seems to me we simply cannot justify an expansion of the tax-free expense allowance provision in our income.

The government has provided benefits, and my party entirely agrees with those benefits being provided. They do not increase the disposable income of MPs; all they do is increase our capacity to do a good job for our constituents. As such, it is tax money well spent. Therefore, the cost of living increase is justified for members of parliament

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ment up to the present, based on their salary and not on the tax exempt allowance, and should be continued in the future on exactly the same basis, adjusted each year.

Second, we would favour the establishment by this parliament of a commission on which there would be representatives of farm organizations, trade unions, professional groups and businessmen—a cross-section of the community. The purpose of this commission would be to report back in the second session of this parliament with recommendations on the subject of MPs salaries and benefits, at which time parliament could consider their proposals. These are two specific recommendations that I put forward, on behalf of my party, that seem to me to provide economic justice for members of parliament in terms of our great responsibility. They are just, in terms of the distribution of income within Canada, in the sense at least that they do not exacerbate it in the way the government's proposal does, either in its original or in its amended form.

I conclude by saying that the NDP has the serious intention, not of breaking rules but of working within the rules, of doing everything we can to stop passage of the legislation that the government has introduced. Just before I sit down I want to propose an amendment, seconded by the hon. member for Greenwood (Mr. Brewin):

That Bill C-44 be not now read a second time, but that it be resolved that in the opinion of this House the subject of salaries and allowances of members of parliament and cabinet ministers should be referred by the government to an independent commission.

**Mr. Baldwin:** Before you put the amendment, Mr. Speaker—

**Mr. Deputy Speaker:** I am looking at the amendment. Perhaps I could listen to hon. members' points of view. I have not made up my mind regarding the acceptability of the amendment.

**Mr. Baldwin:** Mr. Speaker, I rise on a point of order. I have just heard the amendment read, and it strikes a familiar chord. An amendment was moved by the hon. member for Yukon (Mr. Nielsen) in somewhat similar terms, and another by the hon. member for Calgary North (Mr. Woolliams), both of which were ruled out of order by the then Mr. Deputy Speaker. I wonder if it would be in order for Your Honour to reserve judgment on this issue and possibly allow argument, if it is deemed necessary, to be made later as to whether or not the amendment is in order. We have only ten minutes to five o'clock, in any event, and I would urge that this course be adopted by the House.

**Mr. Reid:** Mr. Speaker, I would like to concur in the suggestion made by the hon. member for Peace River (Mr. Baldwin). It would be helpful if we could have a debate at eight o'clock on the procedural aspects.

**Mr. Deputy Speaker:** Perhaps I could make my own suggestion to hon. members. I would not like to deprive the hon. member for Lotbinière (Mr. Fortin) of a chance to make his comments. Perhaps a ruling could be made after he has completed his remarks, so that all four party leaders will have been heard.