

*Old Age Security*

A great deal has been said in the past about the pros and cons of capital punishment, but I have not heard anything said about the punishment of capital as a result of the government's failure to come to grips with inflation. Punishment of capital is the erosion of savings, pensions and other assets accumulated by Canadians who plan for their years of retirement.

Punishment of capital downgrades one of the most precious of virtues, resourcefulness. It is a process that penalizes people who are frugal, people who save their money and invest in securities or property that they feel will ensure them a reasonable return on their investments. These are people who want more than a bare existence from their government in their years of retirement, and who are willing to plan and work to that end.

Let us see how these people fare under our present government and compare their situation with that of people who do not save, plan or invest, but who elect to retire on old age security pensions and supplements. In the first place they pay taxes on their earnings before they take out a few dollars to put into a savings account, an investment or a retirement plan. Then they pay taxes on the earnings on their savings through the years, and on dividends. Then, if their income is over a certain figure after retirement, in spite of the fact that they have been paying taxes on that same money all their working lives, they pay more taxes on their retirement income. But what is even worse, their income is further reduced by the total of the increase in inflation during the years that they have been working.

This is real punishment and it has a crippling effect on initiative and resourcefulness. It puts a heavy price on human endeavour, and it has the effect of denying Canadians a fundamental right, the right to guarantee themselves a comfortable old age by their own efforts.

Anyone who saves and invests for retirement is further penalized by receiving a lower pension than those who do not plan their retirement income. They receive the basic pension, while a person who does not have any other source of income receives the pension and a supplement. I am not opposed to giving the supplement, Mr. Chairman, but it is necessary simply because the pension itself is not adequate. No better evidence can be presented than the fact that the government recognizes the necessity for a supplement when the pension is the only source of income.

When this aspect of the problem is added to the immediate effects of inflation on Canadian consumers, especially on those consumers in the lower income brackets, then it is obvious that we cannot wait any longer to come to grips with inflation. I simply cannot understand why the government does not at least try some of the proposals put forward by the Official Opposition. I am thinking specifically of temporary wage and price controls proposed by the Leader of the Opposition. The government has tried almost everything else, and it is not good enough for it just to state that controls will not work if they have not even been tried. It is obvious that we will have to take drastic measures in the fight on inflation, and we must begin now. The Food Prices Review Board does not seem to be getting anywhere. When we consider that the government has not put forward any other concrete proposals to deal with the problem, Mr. Chairman, then we also have

to consider that we are going to use up still more precious time debating and procrastinating.

• (2030)

In the meantime, consumers cast about for their own solutions. Unfortunately, while such things as meat boycotts are well intentioned, they do not have any lasting effects. Prices continue to spiral; some retailers and wholesalers are taking this opportunity to gouge consumers and blame it on inflation, and even innocent retailers who are caught in the squeeze are being maligned.

The government's spokesman on the issue, or one of them at least, calls on Canadian consumers to rejoice in the fact that they have been spoiled by low food prices and to take the present inflationary spiral in their stride. Naturally, Mr. Chairman, it is easier for the government to let ministers interpret the situation in their own way and give the public slanted versions of the seriousness of the problem than to take positive steps to get inflation under control.

The Minister of Finance gave his version of the problem when he said that wage and price controls would not work in Canada and that they had not worked when tried in the United States and the United Kingdom. On the first point, I do not see how the minister can say that they would not work when he has no evidence to support his claim.

If wage and price controls have not been tried, Mr. Chairman, the Minister of Finance is not in any better position than I to determine whether or not they will work. I doubt that even he could quarrel with that logic. On the other point, there are conflicting opinions whether or not they worked in the United States. The best evidence we have is reflected in the fact that the rate of increase in inflation in the United States is less than in Canada, so it would appear that something is working for them.

The Prime Minister has stated in the past that the government's abortive attempts to implement wage and price controls on a voluntary basis proved that such controls would not work. He also said that labour would not co-operate with the government in voluntary restraints and therefore that precluded any possibility of success with the program.

I cannot accept that argument either, Mr. Chairman. Because there were no clearcut guidelines for anyone to follow, and the government's program of voluntary restraints was purely and simply an attempt to pass the buck and place responsibility for inflation on anyone who happened to be handy. The government could not have cared less whether the culprit was industry, labour or the country's wholesalers and retailers.

In fact it was not a program at all. It was a shallow attempt to put off making a decision, an attempt to buy time in the hope that divine providence would intervene and solve the problem for them. The only thing that divine providence has ever done for this government is to deliver the N.D.P. as a Liberal rump, stripped of their doubtful principles and philosophy and laid bare for the government to use as they see fit. If they are waiting for divine providence to deliver us from inflation, and it appears that they are, then we will have a very long wait indeed. But the Canadian people, particularly our older people, are

[Mr. Beattie (Hamilton Mountain).]