

### *Supplementary Retirement Benefits*

The first thing that you are forced to conclude is that, whereas you did have some inkling of the answer to start with, all you have now is an appreciation of the complexities of the matter and the honest admission, "I don't know the answer".

On further research, the seeker after truth can be comforted from a personal standpoint, although dismayed, on behalf of long-suffering humanity, by the realization that nobody knows the solution. When we come to the people who seemingly have the authority in the field of economics and we have before us three Ph.D's in economics, Mr. A, Mr. B and Mr. C, we find that A considers B and C to be utter fools, that B considers A and C to be utter fools, and that economist Ph.D. Mr. C considers A and B to be fools and entirely lacking in knowledge. And an observer might be justified in concluding that each is right about the other.

But if there is one single idea that has been put forward for a solution to the economic problems of Canada, or at least a partial solution, the idea of attaching the cost of living index to pensions and salaries might well be that solution. Indeed, the government is to be commended for having paid heed to those who would promote such an idea because this is a real answer to fear and to insecurity. With the cost of living increase added to pensions and to salaries, gone is the despair of knowing that you are earning less, from the point of view of purchasing power, each year.

The situation has been that if in 1961 someone were fortunate enough to have made provision in that year for a \$6,000 retirement in 1973—an amount which in the year 1961 would seem quite good—he would find that by 1973 his \$6,000 was worth about \$4,000, meaning almost in a real sense a robbery of \$2,000. Generally speaking, today half of the people of the age of 65 in Canada are near or below the poverty line.

We also find that those who are earning today a regular salary, in order to catch up with the cost of living increase and share in some of the increasing prosperity in Canada seek a wage increase. Since they did not get what they asked for the previous time—they perhaps received half of what they asked for—this time they might well ask for twice what they asked for last time by way of a percentage increase. When the settlement comes, in many cases though not in all, those who receive it have a feeling of euphoria, that they have got it made because they are now earning 50 cents or \$1 an hour more than they earned previously. But then once again comes despair when the raise is swallowed up by the ever-increasing cost of living.

Automatically adding the increase in the cost of living to one's pension would not in itself have an inflationary effect but, rather, a deflationary effect. If we could be assured that next year the purchasing power of the dollar is the same as today, there would not be this excited demand for more and more so that one does not lose more and more.

● (1520)

As it is now, labour with strong unions are now providing their members with \$8 an hour and are screaming for \$10 an hour. No more than 40 per cent of labour in Canada is unionized. Some 60 per cent of those who labour for a

[Mr. Arrol.]

living do not belong to a union, and of the 40 per cent that do—and that is a generous estimate—a very small percentage are among the big wage earners. However, this small percentage represents the ones who in the name of keeping up with inflation ask for big wage increases, get big wage increases and contribute to a large extent toward activating again this cycle of inflation.

The bill we have before us does not relate directly to wages earned by those in private industry or the pensions they receive. There are some government initiatives which could be taken under this bill. In order to encourage Canadian private enterprises to incorporate a cost of living index into their salary arrangements with their workers, the Canadian government could well attach a cost of living index to the federal minimum wage. There is nothing to stop the government from doing that, and there is everything to suggest that it should, in order to act as an example of what should be done for all.

With the bill before us today the government has given encouragement to those in private industry to attach a cost of living index for the benefit of their members. This is not to say that the only thing required is the bringing about of a cost of living index, or that the workers would not then ask for more money, because increases beyond present wages merely to meet the increase in the cost of living have been a part of the Canadian way of life and should, of course, continue to be. As the nation becomes more prosperous, so should the individual, but not to the extent of society bowing meekly to the demands for \$8 an hour for workers some of whom are unskilled now seeking \$10 or more an hour in the construction and allied trades.

The time has come for the government, in the name of Canada's long-term survival and in the name of 95 per cent of Canadian citizens who do not now enjoy \$10 an hour salaries, to use its influence and legislative power to deny to a few powerful unions the opportunity to obtain wages which make a mockery of the wages received by the average Canadian. These wages unsettle everybody else and force them to either demand more to catch up or to feel despair at what their life experience has taught them: their inability to ever catch up. Nothing is being done to put the lid on extortionate wages and nothing will be done as long as the government is run by an NDP-Liberal coalition. The Liberals fear the power of the NDP to unseat them and the NDP fear the power of unions which are rich and powerful to unseat them.

Short of wage and price controls, the next best measure is to have the cost of living controlled, with initiatives taken by the bill brought into the House today for second reading. Again I would suggest that the government give serious thought to relating the cost of living to the minimum federal wage as an example to industry. This in itself, apart from wage and price controls, might be one single solution that would be meaningful. Otherwise, I suggest, we have a situation where a person is almost robbed by society's lack of concern, through this government, year after year. In conclusion I would commend the government for taking a step in the right direction.

Motion agreed to, bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.