

*Old Age Security*

understood it, to combat inflation, and I thought I might be allowed the same discretion or leeway granted the Prime Minister in introducing this as a package. It is extremely difficult for me to speak of the plight of the elderly citizens in my constituency without speaking about the price of the food which they cannot afford to eat. I trust I will not be too bitter in my condemnation of the government for its fiscal policy, but it is very difficult today to separate the need for increased pensions from the cost of food, economic fiscal policies and their effect on the high cost of living. In any event I will attempt to follow your suggestion, Mr. Chairman.

I have heard many quotations from the speech of the Minister of Finance when he introduced the budget on February 19. No doubt it will be a favourite mine for other parties for some time when they are looking for nuggets of bad guessing, inappropriate forecasting and general lack of understanding of the economy, present and future. My favourite quote is when the Liberal Minister of Finance, to applause from their coalition partners, said:

This budget is aimed at reducing inflationary pressures in Canada—

Later in the same paragraph he said:

It is equally essential to reduce the squeeze of rising prices on family budgets and the erosion of the hard-earned savings in Canada.

I realize there will be arguments from my colleagues as to which of all the inexact, inappropriate claims made in that budget speech is the furthest removed from what has since transpired, but the statement I have just read is my choice. It displays an almost unbelievable lack of precision. This Minister of Finance, who considers a \$500 million miscalculation to be of no consequence, boasts of the Canadian dollar keeping even with the United States dollar, but neglects to mention the disastrous decline of the U.S. dollar that he is so proud to accompany in its plunge. This is rather like the first mate on the *Titanic* boasting that he is not going down any faster than the captain.

**Some hon. Members:** Hear, hear!

**Mr. McKinnon:** The fiscal and economic policies of this government have brought on inflation, and inflation brings on labour demands for higher wages. What else could be expected to happen? Inflation robs the workers of part of their pay cheques and this brings on labour unrest. As this government seems unable to devise any legislation that even approaches the problem of inflation, I predict continuing labour unrest. The cause is inflation, and in its customary fashion this NDP-Liberal coalition ignores the cause and legislates against the effects.

I have done a little reading on the matter to see what some learned people have thought about inflation. I noted that Bernard Baruch said:

Inflation—the most important economic fact of our time—the single greatest peril to our economic health.

I came across another quotation I should like to read from an author one might find unusual to be speaking about inflation. Hemingway said:

[Mr. McKinnon.]

The first panacea for a mismanaged nation is inflation of the currency; the second is war. Both bring a temporary prosperity; both bring a permanent ruin.

Perhaps the one quotation that would be the most popular in this House with this minority government would be this quotation from a prominent world statesman of another country who said:

In country after country, it is becoming inconceivable that national economic policies will be developed which do not contain, as a significant element, some form of incomes policy.

That was stated by Harold Wilson, former Prime Minister of Great Britain and leader of the Labour party who could hardly be said to be anti-labour. He said that in any advanced country today the number one problem is containing inflation.

I now wish to speak about the spirit of uncertainty in the economy. Rapid changes in prices, interest rates, performance of stocks, etc., have created uncertainty, apprehension and even fear among investors, businesses and the public at large. Businesses are hampered in making any long-term decisions by the great uncertainties in both supply and demand.

The average Canadian is confused and worried. Can he buy a home for his family with interest rates in excess of 10 per cent? Will his savings be rendered insufficient for his needs through the ravages of inflation? Will he even be able to provide for the present with the prices of the very basics of his existence, food, clothing and shelter, soaring?

This is what Canadians at every level face—uncertainty and apprehension about the future. The pensioner is worried as he sees the purchasing power of his cheque shrink; the worker is worried as he sees his hard-earned wage shrink in value each time he goes to the store; the businessman is worried about increased wages and higher interest rates; and the producer is worried about the costs he faces for machinery, labour and supply.

Who is to blame? Can the farmers be blamed for increased production costs and for their desire for a reasonable standard of living? Can the manufacturers be held utterly responsible for the greater amount they must pay for raw materials and labour? Can the worker be blamed for demanding raises when the real value of his wage is sinking? Finally, can the pensioner be blamed for wanting to live with a modicum of dignity? I suggest the answer to all these questions is no. The disarray into which the present government has allowed the Canadian economy to slide is the reason for the uncertainty and fear.

Granted, a very few producers may be taking advantage of the fears of shortages to make a fast buck. A very few companies may be gouging the consumer with unwarranted price increases, just as a very few groups may be making unjustified and inflationary wage demands. But to single out any one of these as the cause of the economic problem is to live in a dream world. It is like looking into the problems of the 19th century for solutions to the problems of today.

What is our government doing? The government has produced this hodgepodge legislation in answer to the very real problems of the Canadian economy. These measures are gravely deficient, however, in that they treat only the symptoms and not the disease. This does not mean our party opposes the measures, for it is foolish to