

### *Old Age Security*

First of all, we should get a clear understanding of what is meant by the words used.

I then went on to define inflation, because the government wanted to fight inflation. However, inflation means an increase in currency beyond the proportion of available goods—that is the definition given in the dictionary—and we are now witnessing inflated production costs.

This is completely different, and whatever you may think, the government with all its economists has not yet found the slightest solution to the problems of inflation in Canada.

And I said further on:

The present "inflated prices", a more appropriate description of the inflation the Minister of Finance would have us believe in, result from increased production costs. Before establishing . . .

And it was then that the Minister of Finance set up the Prices and Incomes Commission.

. . . the Prices and Incomes Commission, the minister should have appointed a commission to determine the causes of these "inflated prices", which would probably have made it possible to take more realistic action, more likely to correct the situation.

For example, a few years ago the government lifted all restrictions on interest rates on mortgage loans . . .

Mr. Chairman, one does not have to be a genius in order to realize that since the federal government, through its Minister of Finance, removed the ceiling on interest rates on housing loans, which was then 6 or 6¼ percent, the rate of mortgage loans in Canada now ranges between 10 and 11 percent.

● (1540)

It is very simple to see that when one pays 10 to 11 per cent interest on a mortgage, this automatically boosts the price of the rent. The same goes for the 11 per cent federal tax on building materials that the government has imposed and that it has never accepted to abolish after countless motions moved in this House to ask the government to do so. That is very simple to understand; the 11 per cent tax, the exaggerated interest rates are factors which have boosted costs and this has produced inflation. Instead of establishing a Price and Incomes Commission, the government should have analysed the costs or the causes of inflation in Canada. Today, the Minister of National Health and Welfare (Mr. Lalonde) has to try to produce a "gimmick" which every three months will gear pensions to the cost of living. He does not say—he does not know, I am sure—where inflation will lead him; he does not know what level inflation will have reached in six months or a year. But the Minister of National Health and Welfare undertakes today to adjust pensions on a quarterly basis so that senior citizens may receive quarterly benefits.

Mr. Chairman, once again—and I say this today as I said it when the Minister for Finance made a statement on June 8, 1970—the government will not succeed. Why? And the Minister of National Health and Welfare, who is here today, will not succeed because the government will base the quarterly increase in old age pensions on false data published by Statistics Canada concerning the consumer price index.

Mr. Chairman, I have absolutely no faith in Statistics Canada and its data and the government will determine

[Mr. Rondeau.]

the price index on the data published by Statistics Canada to adjust the old age security pensions.

**Mr. Caouette (Charlevoix):** Lies!

**Mr. Rondeau:** Mr. Chairman, I would like to explain here the technique used by Statistics Canada to show that the hon. Minister of National Health and Welfare and the government are wrong in 1973 as they were June 8, 1970 in wanting to rely on an organization which is absolutely anti-scientific et incompetent. I specify: I know very well the methods used to prepare statistics in Canada.

Throughout the country, there are about 800 people who are busy one week a month visiting 30 or 40 families to establish unemployment statistics. They have to visit about eight families a day during six days, one week a month. Each is paid \$2.20 or \$2.25 an hour, plus 13 cents or 16 cents a mile if he holds an insurance policy for pleasure and business driving and he must visit the same family every month for six months. Six new households are visited every month and the six families visited consecutively during six months are left out. Mr. Chairman, it is a real joke when you see the same investigator, who came during six consecutive months, coming to ask once more to the same family if they are unemployed and how long, how many hours they worked during the preceeding week. Sometimes we are surprised that some householders, as I saw it myself in the country, set their dog on the investigator, fed up as they are to see him coming at their door during six consecutive months. This is when the investigator, tired as well of having called during six consecutive months at the same houses, sets up his own statistics in his car with figures he determines himself. As I said on February 11, 1971 on page 3315 of *Hansard*:

I know that the third month, when he returns to the same household after finding out at previous interviews that the head of the household was getting annoyed at always being asked the same questions, the investigator feeling embarrassed always having to ask the same questions and since he would run the risk of getting a more or less rude answer as on previous visits, he merely fills his IBM forms with the previous answers or puts in imaginary answers in order not to bother again the investigated household.

Mr. Chairman, I could also give you the technique through which these statistics are falsified. To go back to my quotation:

With such methods, it is stated that the number of unemployed has been computed in Canada. With figures arrived at in such a poor scientific way from a sampling of 30,000 Canadian households per month they talk then in this House, with great compassion, on the most serious problem now—unemployment—leaving aside what is less important for the government, the unemployed in this country.

The 30,000 households "investigated" for six consecutive months constitute about ½ per cent of all Canadian households.

If, during these so-called inquiries, an average unemployment rate of 7 per cent was found for households visited for six months, the number of unemployed recorded is multiplied by the ratio represented by the 30,000 households investigated out of a total of 5,180,473-odd Canadian households in 1966.

I have before me the last issue of the Canada Year Book, that is 1969, which is available to every member of this House. One can see there the number of Canadian households visited. . . . On which figure and which year does the Dominion Bureau of Statistics base the "guesstimated" number of unemployed in order to supply monthly statistics on the unemployment rate? How is it possible to believe that the figures published by DBS are correct