

Hon. Mr. Brooks: Were you with them at that time?

Hon. Mr. Argue: No, I was not, but I think they have changed adversely since the time I was with them. When I was with them we were a group of individuals. Some of us may have been a little off base once in a while. I may still be, and I hope I shall be once in a while in the future; but we were not under the control of an elite in the labour movement or any other movement. I think this is the position they have since acquired for themselves, and I think it has been and is a great mistake. However, they have certainly by their speeches followed a course of "Tax the poor to pay the rich," and that would seem to me a kind of policy that no one should be following. Oh, I know they are crying about the people on \$200 or \$300 a month.

Hon. Mr. Brooks: I think they were crying about the people who are on \$105 a month.

Hon. Mr. Argue: I do not think they were crying about them. I think they were crying about the people on higher incomes.

Senator McDonald from Saskatchewan can remember when the leader of the N.D.P., Mr. T. C. Douglas, in 1961 brought a measure before the Saskatchewan legislature to pay to himself a pension of \$4,200 per year, so that when elected to Parliament he would get a provincial pension from the taxpayers of Saskatchewan in addition to his pay as a member of Parliament, and this he is now receiving. I would far rather see members of this chamber promoting legislation that will provide funds for people who are in need. I was glad to hear Senator Croll this afternoon say that he looks forward to the day, and that day soon, when there will be guaranteed annual income legislation for the blind, disabled, the sick, the maimed and others in need.

The whole concept of guaranteed annual income, of course, is going even beyond that. The present Minister of National Health and Welfare, the Honourable Mr. MacEachen, made what I believe to be a most important speech on the whole concept of a guaranteed annual income, when he said that whenever there are increases in welfare measures in this country they will have to be paid for out of taxation, that they will have to be paid for out of the production of this country.

We have to take action to provide increases from time to time, for the cost of living has been rising at a rapid rate. I think it is a mistake for corporations or others who are in a powerful position to increase the prices of

their products or to raise wages, on the basis of "all that the traffic can bear." When I see people in public life advocating increases in wages of 30 per cent and 40 per cent over a two-year period, I think that is completely irresponsible and is the kind of thing that is adding to inflation. It means that legislation has to be amended to take care of that inflation and the unnecessary increase in the cost of living.

We can pay for our social security measures out of tax revenue, of course, but we can gain more tax revenue by increasing the annual production of our country. When our nation talks about increased legislation in the social security field we should consider not only the taxation required, but should start to think about how we can increase productivity in our country, and how we can produce more in the hours we work. Perhaps some people may be encouraged to work somewhat longer hours in order that the productivity of our nation can be increased.

I was pleased to read in the *Financial Post* about a week ago a statement that, according to statistics, living standards in Canada have risen more in the past five years of steady business growth than in the previous 13 years.

The key to providing a guaranteed annual income for older people is to undertake in every way possible to increase the productivity of our nation. I think the Government and the Senate should be giving real thought to this question.

I have read the report of the Economic Council of Canada. It is a brilliant report, and many things in it show that the Economic Council has done excellent research and it provides guidelines on how we can improve the economic position of our nation. However, it says little about increasing productivity. I think the council itself would admit that the attention it has given to the question of productivity is inadequate. That is a field to which we might apply ourselves, for if we succeed in increasing production we can afford this and other important social security measures.

Hon. Orville H. Phillips: Honourable senators, my remarks will not be extensive. I had intended to rise and ask one question of the Leader of the Government (Hon. Mr. Connolly, Ottawa West), because earlier in the debate this afternoon reference was made to the old age supplement paid in Prince Edward Island. Perhaps I can explain to the Leader of the Government what Senator Grosart meant by consultation with the provinces.