

assure her of the wholehearted cooperation of the opposition in the performance of her duties.

Some Hon. Senators: Well said.

[English]

Senator Flynn: It also pleases me to see that my learned, amiable and voluble friend from British Columbia is still the government leader. Rumour had it last summer that he might again become a simple sailor on the government ship. But, unlike others, he survived the purge. There was no reason not to let him continue the good job he has been doing as government leader.

Hon. Senators: Hear, hear.

Senator Flynn: I would only hope that he would act more as Senate leader than government leader and not react violently as he has the habit of doing whenever we dare to criticize Liberal infallibility and divine right to rule.

I am honestly concerned, however, about how the good senator looks—the pallor, the wrinkles, the pained expression. If these are caused by a weak bladder, then I am sorry for him; but if they are caused by the recent Gallup polls, then I am all out of sympathy.

I notice there are no new senators to welcome, and that is a source of some concern. The Prime Minister had better get busy. The proportion is falling to truly dangerous levels here in the Senate. There are now only about four Grits for every opposition member.

[Translation]

Seriously speaking, I am disappointed that the Prime Minister has not filled some of the 16 vacancies which now exist and has not, by the same token, increased the number of senators who are not on the government side. It will always be essential to the good accomplishment of the duties of this house to maintain a better balance between members of the majority and those of the minority.

● (1410)

[English]

Some Hon. Senators: Hear, hear!

Senator Flynn: The Throne Speech, as has been said by practically everyone, was a grab bag of vague promises reflecting insincere intentions and regrets. It was improvisation born of desperation. It was the typical Liberal speech, as was pointed out by one member opposite as we left the chamber on Tuesday, promising all things to all people. I will not name the senator; he needn't worry.

Senators Lucier and Barrow, in their speeches yesterday, proved my point. Both referred to the Speech in very general terms, losing only a few moments in doing so. They then switched to problems affecting their own regions, realizing, obviously, that it is better to leave your audience wondering why you did not broach a subject than why you did. I congratulate both these senators on their interesting speeches and for having successfully avoided the temptation of trying to praise the government in the context of that Speech from the Throne.

I have one serious reservation, however, which concerns Senator Lucier's comment that the government's actions would be more effective if there were less criticism of them. That puts an interesting wrinkle in the principles of democracy. If everybody were happy with the government, it would mean that its actions were the proper ones. But, it is hard to imagine how that could happen when the results of this government's policies so obviously stink. Here, for Senator Lucier's benefit, are some hard economic facts about a nation with an increasingly unpopular government, two years away from an election, which is too bad.

1. The OECD says that it costs more to produce goods here than in the U.S., and that our inflation rate is not falling as fast as inflation rates are in the other countries with which we trade.

2. The United States' economy is growing faster than ours, and the idea is catching on among businessmen that the U.S. offers better business prospects than our country does.

3. We borrow huge amounts of money abroad to finance a balance of payments deficit, while Canadians are investing more money abroad than others are investing here. So the net flow of capital for investment purposes is outwards.

4. The balance of payments deficit is at a level far beyond the capacity of this country to sustain it and the only real federal "policy" to meet that problem is a vain hope that the growth of the American economy will be rapid enough to pull this country's exports up with it.

5. The Prime Minister is not publicly addressing himself to the underlying problems of the nation, and Tuesday's Throne Speech does nothing to change my opinion.

6. The anti-inflation program, never accepted by organized labour, is under increasing attack by business, and by John Q. Citizen, as the polls so clearly show.

7. The net outflow of interest and dividends is growing rapidly from just under \$1.5 billion in 1971 to roughly \$2.7 billion last year. Investors are abandoning Canada the way thinking voters are abandoning the Grits.

8. In the first quarter of 1976, government at all levels in this country borrowed \$1.98 billion. And industry borrowed another \$880 million. We should not worry about renovating the East Block; we will have to hock it pretty soon.

Despite four consecutive quarters of real economic growth, the Canadian economy is performing in a manner more indicative of recession than recovery. Neither the unemployment rate nor the trade deficit have benefited from the 5.1 per cent gain in real GNP which occurred between the first quarter of 1975 and 1976.

We are faced, thanks to this inept government, with weak economic growth and uncertain price outlook, weak investment and productivity, unemployment averaging 7.3 per cent of the labour force—that is 753,000 people out of work—a \$5 billion deficit on current account trade, and a host of other economic ills. And to solve all this we have the ultimate panacea—the present anti-inflation program.