

Recent statements by Premier Bourassa and his ministers, especially Mr. Castonguay, the Minister of Social Affairs, are indicative of the fact that Quebec is not satisfied with the approach being used by the federal government in its negotiations on the subject of a new Constitution. Quebec wants greater administrative freedom. It will not be intimidated by the arrogant and inflexible positions of the federal government, nor will any of the other provincial governments—and I could name many of them, but let me say that Ontario and British Columbia are examples. Quiet diplomacy and a sincere attempt at understanding are required to iron out our constitutional problems. This has, unfortunately, been lacking in the past few years.

I come now to the Senate itself. The last session was a productive one for this house. We brought in for the consideration of the government and the people of Canada our findings in those areas which we had set out to investigate—the communications media, poverty, the White Paper on Taxation, the tax reform bill, science policy, and growth, employment and price stability. While others merely talked about the problems we faced in these crucial areas, the members of this house, under the able leadership of the committee chairmen, strove to find out the extent of the problems and their real causes. This was followed by some laudable attempts at finding viable solutions to those problems.

The recommendations we made, although I would not agree with all of them—but then who does—were for the most part sound, tempered, and practical. The Science Policy Committee discovered that despite the government's efforts to expand the manufacturing industries, total shipments by industry had remained relatively static since the middle of 1968. Employment, the committee found, was off some 120,000 jobs and the prime cause was our apparent inability to create new products. The committee's reaction was an encouraging one. Since we must innovate or perish, then let us have a broadly-based drive towards the creation of new products and services which can be produced in Canada; let us have a shift in the focus of the research effort from government to industry.

It is indeed inspiring to see that scientific investigation still reveals the superiority of the private enterprise system in producing goods, which means keeping the economy afloat.

The crux of the Poverty Committee's report was that Canada's existing social security system be junked, and replaced by a guaranteed annual income. Although the idea of a guaranteed annual income does not appeal to me philosophically, I might be willing to accept it as an improvement over the present welfare mess, if only I could convince myself that the government would bring in the guaranteed annual income instead of the numerous and wasteful welfare measures we now have, and not in addition to all these handouts.

I am sure Senator Croll must have been disappointed to learn from the Throne Speech that the government plans to go ahead with its family income security plan since the plan, from what we know of it, is in large measure a rejection of some of the Poverty Committee's principal

conclusions. I would say that the Minister of National Health and Welfare had already made that decision when he introduced his White Paper ahead of the recommendations of the Poverty Committee. I trust that Senator Croll remembers the occasion.

Probably the most interesting, and certainly the most revealing, of the Senate committee reports was that prepared by the National Finance Committee under the able chairmanship of Senator Everett. That committee's look at growth, employment and price stability in Canada drove it to the conclusion that this administration does not act to ward off economic difficulties, but rather waits for the worst to happen and then reacts with an expedience that is alarming. It does not matter, the committee learned, that the jobs created are only temporary; that they are unproductive; that much of what little value they have is wasted in the absence of effective preparation or effective co-ordination with provincial programs. The committee's probing revealed that this administration is so jealous of its policy-setting functions that it insists upon operating in a vacuum. No outside advice is sought, the provinces are ignored, and the business community looked down upon. The committee very perspicaciously pointed out that we can again have a prosperous economy, if only we can convince this government to return to commonsense guidelines in policy-making and to stop following slavishly the dictates of expedience.

• (1450)

To its eternal credit the committee asserted its faith in the free market as the most effective way out of the economic quagmire into which this government has led us. It displayed no sympathy for the statist tendencies of the present administration.

Our special and standing committees have done excellent work, and at only a fraction of the cost of similar reports by commissions or task forces. However, we must never forget that our principal *raison d'être* is to review legislation. It is in the carrying out of that responsibility that we failed so miserably last December.

The Banking, Trade and Commerce Committee studied the government's White Paper on Taxation, and made several recommendations of major import. We also studied in depth the technical aspects of the income tax reform bill, and made numerous suggestions for improvement. As a matter of fact, we even went so far as to draft specific amendments to nine or ten clauses which we considered unacceptably deficient. The committee unanimously agreed that without these particular amendments the bill should never be allowed to pass.

What happened? The bill came to us with a deadline. The government had unwisely committed itself to bringing in the legislation before January 1 of this year—and it is my view that that date was not important except for tactical or electoral reasons—and we were to be forced to rush it through the Senate. And rush it we did.

The government leader, with the help of his overwhelming majority, made sure that no adequate discussion of the bill was allowed in committee. No discussion of the philosophy behind the bill was possible. We were not able to discuss why many of the recommendations