

**Hon. Raymond J. Perrault (Leader of the Government):** Honourable senators, I have not heard of any such appeal. I shall attempt to determine whether in fact an appeal has been launched. I have no personal knowledge of it.

## THE ECONOMY

### FEDERAL-PROVINCIAL FISCAL NEGOTIATIONS

**Hon. H. A. Olson (Minister of State for Economic Development):** Honourable senators, I now have a reply to a question asked by Senator Doody on April 16 last with respect to a new Federal-Provincial Fiscal Arrangements Act. It is a rather lengthy reply, and I would ask that it be taken as read. If that is not the wish of honourable senators, I shall read it.

**Hon. Duff Roblin (Deputy Leader of the Opposition):** I would prefer that my honourable friend read it. I see he has one sheet of paper in his hand. If that is it, I would prefer that he read it. It is rather important.

**Senator Olson:** Honourable senators, I wish to reply to a question asked by Senator Doody during the Question Period on Wednesday, April 16, concerning the status of negotiations between the Government of Canada and the provinces for the re-negotiation of the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977.

The honourable senator's inquiry stemmed from certain remarks made by the President of the Treasury Board on March 16 of this year. In an interview on the CTV program *Question Period*, the Honourable Donald Johnston pointed out, in effect, that the shares of revenue between the federal government and the provinces have changed over the past few years and that it is important to review the implications of these developments.

The main components of the Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977 are fiscal equalization, tax collection agreements and established programs financing arrangements covering hospital insurance, medicare and post-secondary education.

● (1510)

As you know, the federal-provincial fiscal arrangements have a five-year term. The current fiscal arrangements period began on April 1, 1977 and will end on March 31, 1982. Periodic review of these arrangements is necessary precisely because circumstances change over time. The quinquennial renegotiation of the fiscal arrangements is clearly a very important exercise in the area of federal-provincial relations. The current arrangement now has slightly less than two years to run and technical work has already begun at the officials' level. Formal discussion at the ministerial level is not yet under way but when it does begin it will certainly be placed in the broad context of the issue of revenue sharing.

The tax collection agreements have no expiry date but are constantly under review by the provincial and federal governments. Established Programs Financing has no expiry date but it is open to the federal government to modify should this be deemed necessary. The plans of the federal government, then,

are to review the fiscal arrangements in concert with the provinces in the light of the emerging pattern of revenues by level of government. This review will culminate in renewed fiscal arrangements for the period beginning April 1, 1982. It is too early at this stage to project with any certainty exactly what modifications the fiscal arrangements will undergo in this process.

**Senator Roblin:** May I ask a supplementary question on that? Could my honourable friend give us a target date as to when he expects meetings with the provinces to take place?

**Senator Olson:** I do not think I could give a precise date, but I am sure that the federal government is now in the process of trying to get some commitment—perhaps "agreement" is a better word—from the provinces as to when this begins. As my honourable friend knows there are some differences between the arrangements with different provinces with respect to this, although they are generally uniform. I suppose it would culminate in a full-scale federal-provincial conference, but I am sure that is quite a long way down the road.

## SPEECH FROM THE THRONE

### MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, April 17 consideration of His Excellency the Governor General's Speech at the opening of the First Session of the Thirty-second Parliament, and the motion of Senator Rousseau, seconded by Senator Hays, for an Address in reply thereto.

**Hon. Lowell Murray:** Honourable senators, in opening this debate the Honourable Senator Rousseau and the Honourable Senator Hays did not only themselves and their party proud, but they did us all proud. I congratulate them very sincerely. I can only wish that those two honourable senators had been able to collaborate in the writing of the Speech from the Throne, or in the writing of the Prime Minister's inaugural speech in this Parliament, both of which could have used a dose of the balanced optimism about Canada that those two honourable senators expressed in the course of their speeches.

Some very fine things have been said about our former Speaker, Senator Grosart, and deservedly so. It is no secret that we in the Progressive Conservative Party were very happy with his appointment as Speaker last fall. I suppose it can be related now that last summer, at the time that the question of the appointment of a Speaker for this house was under consideration, messages came from the other side, in the mysterious way that messages have of coming in these corridors, to the general effect that so far as the Liberal Party was concerned, they too would be more than delighted if the Prime Minister of the day saw fit to appoint Senator Allister Grosart as Speaker of the Senate. The advice was superfluous, but it was very welcome, nonetheless, and turned out to be very good advice in the event. For us, we have not so much lost a Speaker as we have regained a party spokesman of immense experience